

DAILY REPORT

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FOREIGN MINISTRY SPOKESMAN CITES SRV AS DEFIANT

OW170856 Beijing XINHUA in English 0845 GMT 17 Apr 85

["Foreign Ministry Spokesman Condemns Vietnamese Army Withdrawal Trick" -- XINHUA headline]

[Text] Beijing, April 17 (XINHUA) -- A spokesman to the Chinese Foreign Ministry described today the recent remarks by Vietnamese Foreign Minister Nguyen Co Thach on Vietnamese Army withdrawal from Kampuchea as "a blatant defiance by the Vietnamese authorities of the just demand of the international community for the immediate withdrawal of all Vietnamese troops from Kampuchea." Nguyen told REUTERS correspondents that Vietnam was planning to withdraw all its troops from Kampuchea by 1995.

In responding to a question about China's comment on that statement, the Foreign Ministry spokesman said at today's news briefing "this also shows that the Vietnamese authorities have not changed at all their plan to perpetuate their occupation of Kampuchea and that they have no intention whatsoever for a complete troop withdrawal from Kampuchea, let alone any good faith in a fair and reasonable settlement of the Kampuchean question." "Vietnam will find no future and will gain nothing by trying to hang on in Kampuchea," the spokesman stressed.

GENEVA ARMS SESSION KEYS ON MISSILES, 'STAR WARS'

OW170820 Beijing XINHUA in English 0705 GMT 17 Apr 85

[Text] Geneva, April 16 (XINHUA) -- U.S. and Soviet arms control negotiators today held separate sessions on medium-range nuclear missiles and space weapons, but no progress was reported at the end of the talks. The session on medium-range missiles, which lasted 80 minutes, was added to the schedule only yesterday. It took place at the U.S. mission and appeared to have been requested by the U.S. mission. The space session lasted three hours and 40 minutes, one of the longest meetings to date on the subject.

A U.S. spokesman declined to comment on the meetings, which follow a Soviet decision to unilaterally freeze until November further deployment of medium-range missiles in Europe and a call for the U.S. Government to follow suit.

The first round of U.S.-Soviet arms control talks, which started from March 12, will end next Tuesday. A second round is reportedly scheduled to begin in late May after the negotiators consult with their government leaders in their capitals. Sources close to the U.S.-Soviet arms control talks confirmed Monday that the discussions have failed to produce any results, with the United States seeking substantial reductions in offensive nuclear arms while Moscow is trying to link any agreement to a halt on U.S. research into Reagan's Strategic Defense Initiative, known as "star war" program.

LIAOWANG ON MX MISSILES, U.S.-USSR ARMS TALKS

HK120910 Beijing LIAOWANG in Chinese No 13, 1 Apr 85 p 7

["Special Dispatch" from Washington on 25 March by LIAOWANG contributing reporter Chen Si: "MX Missiles and U.S.-USSR Talks"]

[Text] Just after the Geneva arms control talks between the United States and the Soviet Union began and barely a week after President Reagan sent a letter to the new Soviet leader Gorbachev on holding a summit talk in the United States, on 19 March the U.S. Senate accepted the strong proposal of the Reagan government to pass a bill appropriating \$1.5 billion for manufacturing 21 more MX intercontinental ballistic missiles.

At present, the White House is gathering its strength to strive for the same resolution in the Democratic Party-dominated House of Representatives.

The United States began to manufacture the MX missile last year. It is a large intercontinental ballistic missile that can carry 10 independently guided nuclear warheads. The U.S. Government hopes to strengthen their strategic nuclear strength and close the gap between the United States and the Soviet Union in the field of land-based missiles by obtaining these missiles. The United States has been studying these new missiles for more than a decade; however, because the manufacturing cost is exorbitant and it is difficult to find a reliable deployment mode, there have been endless arguments on permanently manufacturing them in the United States.

After Reagan rose to power, he appointed the former national security adviser, Scowcroft, and people from the two parties to form a "Strategic Forces Commission" to carry out research. In 1983, they proposed a package of manufacturing 100 MX missiles to be deployed in existing "Minutemen" missile silos as an interim measure, and a study of the small "Midgetman" mobile single-warhead intercontinental missile with the aim of having them ready for deployment by the 1990's. It was only then that the project was approved by the Senate and House. However, last year when the Reagan government demanded an additional appropriation of \$1.5 billion to purchase a second batch of 21 MX missiles, storms once again arose in the Congress. Through compromises made by the both sides, it was decided to delay the vote until the spring of this year.

The reasoning put forward by those opposing the MX mainly has two points: First, the MX missiles deployed in the "Minuteman" silos could be destroyed easily by the Soviet Union's large intercontinental missiles. The United States can only counter this by resorting to launch on "warning." And the Soviet Union will regard the MX as the No 1 offensive weapon of the United States, thus urging Moscow to strike first. Therefore, the production and deployment of the MX will increase strategic instability and the danger of nuclear war. Second, the cost of studying, manufacturing and deploying the MX is exorbitant. Hence, they vigorously tried to veto the MX appropriation in the Congress and force the Reagan government to give up the plan to manufacture these missiles.

In order to save the MX, recently all the personnel in the White House really spared no efforts and racked their brains. First, they arranged the start of the Geneva arms control talks between the United States and the Soviet Union for the eve of the Senate and House votes on the appropriation for the MX missiles. In the past 2 weeks, senior U.S. officials, headed by Reagan, took turns testifying in Congress, talking to the public, and delivering speeches on television, repeatedly emphasizing that if Congress vetoes the MX, not only will the defense of the United States be seriously weakened but it would also be equivalent to unilateral disarmament by the United States and the Geneva talks will achieve nothing. According to some journalists, in spite of this the debate in the House is more fierce than in the Senate; since many representatives do not want to take the blame for ruining the Geneva talks, the MX appropriation bill might also pass the House of Representatives.

This struggle between the White House and the Congress over the MX indicates that the Reagan government adopts the principle of intensifying the arms expansion on the one hand and, on the other hand, carrying out negotiations with the Soviet Union, in an effort to gain a military advantage, increase their bargaining strength, and reach an agreement favorable to the United States.

It also indicates that the opposition to the nuclear arms race and increased military expenditures has an extensive foundation among the American people. On the eve of the vote in the House, several hundred U.S. Roman Catholic bishops wrote a joint letter to all the congressmen, asking them to veto the MX missiles appropriation bill. Some nongovernmental societies and organizations have also expressed objections one after another. It will be difficult for Reagan's proposed \$277.5 billion military budget to pass Congress under the present conditions of a more than \$200 billion federal deficit.

After Gorbachev came to power, the leaders of both the United States and the Soviet Union expressed wishes to improve the U.S.-USSR relations. However, the U.S. Senate's approval of the manufacturing of more MX missiles was strongly criticized by Moscow. PRAVDA successively published editorials denouncing Washington's "hypocritical" practice of, on one hand, talking about reducing offensive strategic weapons and, on other hand, increasing the number of MX missiles. Moscow has also said they will absolutely not allow Washington to use the strategic defence initiative as a "shield" and use the MX missiles as "spears" to build up the No 1 striking force and gain a strategic advantage. If the U.S. House of Representatives also agrees to increase the manufacture of MX missiles, it will certainly cause stronger responses from the Soviet Union. The argument of the United States and the Soviet Union once again indicates that deep suspicions, jealousies, and differences exist between the two countries. These can not be solved by one or two talks.

HUANG HUA RECALLS BANDUNG CONFERENCE SPIRIT

OW161147 Beijing XINHUA in English 0953 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- The Bandung spirit which was brought into existence at the Afro-Asian conference 30 years ago has guided the peoples of Africa and Asia in their struggles against imperialism and colonialism and for national independence.

This was stated by Huang Hua, vice-chairman of the Standing Committee of the Chinese National People's Congress, in an interview for the forthcoming issue of WORLD AFFAIRS.

He said the ten principles adopted at the Bandung Conference have become norms in international affairs for handling relations between states. The vicissitudes in the world situation over the past 30 years have tested the great vitality of these principles, he added.

Huang Hua attended the Bandung Conference as political advisor to and spokesman for the Chinese delegation.

He recalled how the late Premier Zhou Enlai, leader of the Chinese delegation, joined other delegations to make the conference a success and said that the Chinese Government had attached great importance to the conference.

Huang expressed his thanks to the Indonesian Government for arranging the commemorative meeting to be held from April 24 to 25 in Bandung, Indonesia, to mark the 30th anniversary of the conference.

He said it would provide leaders of Afro-Asian countries with another opportunity to discuss major international issues and promote mutual understanding.

Although Third World countries vary in actual conditions, he said, they share a common position. All demand that the old international economic order be reformed and a new order established.

He said Third World countries could settle problems arising between them through negotiations and by seeking agreement on certain questions while reserving differences, but not by resorting to the use of force.

He called on Third World countries to concentrate their efforts on national construction and promote South-South cooperation.

He said China, a participant at the Bandung Conference, belongs to the Third World. "We are willing to join the governments and peoples of other countries in striving to establish a new international economic order and safeguard world peace," he said.

Huang Zhen Article

HK160943 Beijing ZHONGGUO XINWEN SHE in Chinese 1134 GMT 15 Apr 85

[Report: "Huang Zhen Writes an Article To Mark 30th Anniversary of Afro-Asian Conference"]

[Text] Beijing, 15 Apr (ZHONGGUO XINWEN SHE) -- The No 8 issue of HONGQI, which is to be put on sale tomorrow, carries an article written by Huang Zhen, one of China's senior diplomats, to mark the 30th anniversary of the Afro-Asian conference.

Huang Zhen was then a member of the Chinese delegation to the Bandung Conference and the Chinese ambassador to Indonesia. He says that the achievement of the Afro-Asian conference consisted of the "Final Communique of the Afro-Asian Conference" (including the "Declaration on the Promotion of World Peace and Cooperation") unanimously approved at the conference, and that the common aspirations and common demands of the Asian and African peoples ran through the resolutions adopted by the conference. Some of the resolutions adopted by the conference have given enormous impetus to the national independence movements and struggles against racial discrimination in Asia and Africa. The appearance of a large number of independent Asian, African, and Latin American countries as equals on the international stage in the 30 years following the Afro-Asian conference is the best proof of this.

The 10 principles for guiding international relations mentioned in the "declaration," says Huang Zhen, are an extension of the Five Principles of Peaceful Coexistence. For centuries, international relations have been dominated by power politics, which is characterized by the bullying of the small, the weak, and the poor by the big, the powerful, and the prosperous. The 10 principles emerged on the international stage precisely as the antithesis of these intolerable concepts and phenomena. They should be made the basis for a new type of relations between countries, which is characterized by the peaceful coexistence of these countries and cooperation between them.

What should be pointed out is that the conference's spirit of seeking common ground while reserving differences has played an immensely significant role. That was one of the remarkable achievements of the conference, which has set an example to be followed by other areas probing the same problems.

Since the Afro-Asian conference, says Huang Zhen, the Third World countries in Asia, Africa, and Latin America have strengthened the unity among themselves, devoted greater efforts to the struggles against colonialism, imperialism, and hegemonism, and played an increasingly important role in international affairs. However, the objectives set by the Afro-Asian conference have not been successfully achieved. The escalating arms race between the superpowers and the existence of regional "hot spots" continue to infringe on the interests of the Third World countries and to threaten world peace. In addition, as a result of the problems left over from history, there are still contradictions, disputes, or even armed conflicts between some Third World countries and this has aroused the uneasiness of various countries. The Third World countries have entered a new historical stage in which their central task is to strive for economic development. The further strengthening of South-South cooperation and of their economic relations and the establishment of a new international economic order based on equality and mutual benefit have now become their new common aspiration. By recapturing the "Bandung spirit," we can gain insight and make ourselves strong. Although the burden is heavy and the road is long, we are full of confidence in the future and development of the Third World countries and the world.

IDA GRANTS PRC LOANS FOR WATER, SEED PROJECTS

OW161137 Beijing XINHUA in English 0710 GMT 16 Apr 85

[Text] Washington, April 15 (XINHUA) -- The International Development Association (IDA) today approved two loans totalling 123.8 million special drawing rights (SDR) (about 120 million U.S. dollars) to China to expand water supply facilities in rural areas and upgrade its seed industry.

The rural water supply project, supported by 80 million dollars of credit from the IDA, will help provide safe drinking water to some six million people in China's Liaoning, Shaanxi, Sichuan and Zhejiang Provinces, as well as the Municipality of Beijing. Water supply to these areas is often inadequate, being either contaminated or too distant for use.

Training programs will also be established for planners, engineers, technicians, and operators at national, provincial, county and village levels.

The total cost of the projects is 210.2 million dollars. The remainder of the financing will be provided by China, the World Food Program and Federal Germany.

40 million dollars of the IDA credit will go to increasing production of high quality seeds of major food and cash crops. Special priority will be given to improve operation of the National Seed Corporation, the agency responsible for developing a comprehensive seed quality and control system.

The project will serve as a model for the construction of more than 300 advanced seed centers throughout China over the next two decades. Each center will be made up of several seed companies and certified seed farms.

Under the project, which will cost in total 86.8 million dollars, processing plants, warehouses and research laboratories will be constructed. Facilities at 18 seed production and distribution centers in 12 provinces and two autonomous regions will be modernized as well as new equipment provided.

Improvements will also be made to about 28,000 hectares of seed farmland. The modifications will include construction or upgrading of some 480 kilometers of rural roads, and the construction of 1,500 kilometers of irrigation canals and drains, and about 165 wells.

Both interest-free IDA loans are for 50 years and include 10-year grace periods.

NUCLEAR SAFETY TRAINING COURSE BEGINS IN BEIJING

OW151410 Beijing XINHUA in English 1342 GMT 15 Apr 85

[Text] Beijing, April 15 (XINHUA) -- A 50-day training course to promote safety standards in China's nuclear power industry began here today.

It is being jointly organized by China's National Nuclear Safety Administration and the International Atomic Energy Agency (IAEA), and is the first joint project launched since China affiliated with the agency early last year.

The 68 students are from Qinghua University and the Ministries of Nuclear and Machine-Building Industries, Urban and Rural Construction and Environmental Protection and Public Health.

They will study the technology of pressurized water reactors, laws and regulations governing nuclear safety, site selection and design examination of nuclear power stations and quality inspection of equipment.

The 40 lecturers are specialists from IAEA, the Federal Republic of Germany, France, Japan, the United States and China.

At the opening ceremony, Professor Jiang Shengjie, director general of China's National Nuclear Safety Administration, said the course would help China to train experts in nuclear safety.

The administration was presently conducting safety examinations of the two nuclear power stations under construction in Zhejiang and Guangdong Provinces.

Professor L.V. Konstantinov, IAEA deputy director general and head of the IAEA Nuclear Energy and Safety Department, said he hoped there would be greater international co-operation and discussion on safety management of nuclear power stations.

The training course is being partly funded by IAEA.

TRADE DEFICIT BOOSTS PROTECTIONIST SENTIMENT

OW160832 Beijing XINHUA in English 0725 GMT 16 Apr 85

[Text] Washington, April 15 (XINHUA) -- More and more Americans, frustrated by the burgeoning trade deficit, favor protectionism at home while in Paris, U.S. Treasury Secretary James Baker is urging other Western industrial countries to forestall protectionism.

Early this month, the U.S. Senate Finance Committee and the House Ways and Means Committee approved two separate resolutions asking for government action to restrict imports from Japan, which accounted for nearly one-third of the U.S. trade deficit, 123.3 billion U.S. dollars last year.

The move was described by some veteran congressmen as the harshest and most intense in recent memory. It is believed that broader U.S. countermeasures are under consideration on Capitol Hill.

THE LOS ANGELES TIMES reported recently that Americans are increasingly disappointed at the huge trade deficit and favor a tougher government policy for foreign trade. Virtually everywhere in the U.S., there are some businessmen calling for protectionist policies.

What is more noteworthy is that many free-trade advocates have reversed their opinion. For example, U.S. farmers, a historic free-trade bulwark because of their dependence on overseas sales, have their own grievances against foreign merchants and now support import restrictions. Wine growers in New York and California complain about competition from France, and Midwest farmers grumble that Indonesian palm oil competes against their soybean oil.

The Reagan administration, benefiting from cheap imports mainly in holding down U.S. inflation, one of the hallmarks of the economic recovery, urges Congress to be patient -- at least until the Bonn economic summit which begins May 4. However, the problems could become more serious if the U.S. economy turns decisively downward in the latter half of 1985, thus increasing the congressional pressures for protectionism.

STRONG DOLLAR ENCOURAGES OVERSEAS INVESTMENT

OW160914 Beijing XINHUA in English 0828 GMT 16 Apr 85

[Text] New York, April 15 (XINHUA) -- U.S. manufacturers will make more direct investment overseas in the coming years because of the strong dollar and other factors, vice president of the Bank of America told XINHUA today.

In an exclusive interview with XINHUA in his elegant office in Manhattan, Harvey Ponichack said the sharp approximate 45 percent appreciation of the dollar since 1980, which is now overvalued, "is stimulating U.S. direct investment abroad."

In 1980 one West German mark stood at 55 cents to the U.S. dollar, but now the ratio is 3:1, about a 41 percent increase. "The same applies to other major Western currencies, though at varied rates," he explained.

The dollar's gains have reduced production costs in some countries by a third in dollar terms. On the other hand, this also means higher prices for U.S. products in terms of foreign currencies, causing a U.S. export slowdown. U.S. aircraft manufacturers, for example, exported only 336 planes last year, compared with 3,555 in 1980.

The strong dollar has helped the U.S. firms overseas acquire equity ventures at a lower price and a bigger profit. Other advantages of overseas production brought by the strong dollar include cheaper costs for labor, and raw materials and tariffs on exports.

Poniachek who is responsible for his bank's North American division, added, there are about 5,000 U.S. firms currently operating overseas. Their direct investments increased by more than three billion dollars in 1984, bringing the total to approximately 250 billion, three fourths of which is in Europe and 8 percent in Japan.

The U.S. Commerce Department estimates that U.S. firms will increase their capital spending abroad by 13 percent this year.

A survey conducted late last year by the Bank of America, the nation's second-largest bank holding company, shows that most U.S. investors expect good prospects for economic expansion abroad in the years to come. It also indicates that the manufacturing sector, ranging from electronics, machinery to food products, is by far the largest segment of the overall expansion program.

Looking over a chart describing global investment distribution, Harvey Poniachek said the Pacific-East Asia area "is a very promising investment market as the region is highly productive and stable". It is expected that the U.S. will channel more funds to explore the new market in the area to balance its investment distribution now concentrated in Europe.

"One can not afford to put all risks in one market", he said, citing the "capital diversification" theory to defend his proposition.

"A prosperous Pacific rim is as significant as the EEC to the United States," he maintained.

"At the moment," Poniachek observed, "the investment climate in Latin America is not attractive, and as a matter of fact, it is losing investment because of high debt syndrome along with other political and economic considerations.

"The prospect for investment in Africa is poor," he added.

EXPERTS JOIN OIL, GAS SEARCH IN NORTHEAST PRC

OW160856 Beijing XINHUA in English 0842 GMT 16 Apr 85

[Text] Harbin, April 16 (XINHUA) -- Thirty-one U.S. seismic experts have joined the hunt for more oil and natural gas in the Daqing oilfield, north-east China. An official of the oilfield's prospecting department said the Americans had been hired for two years to help 328 Chinese experts and workers prospect peripheral areas. The total area to be prospected is about 4,000 square kilometers scattered across Heilongjiang and Jilin Provinces. So far, about 300 square kilometers have been found to contain oil and gas reserves.

J1 PENGFEI MEETS U.S. TRADE MISSION IN BEIJING

OW151436 Beijing XINHUA in English 1422 GMT 15 Apr 85

[Text] Beijing, April 15 (XINHUA) -- Chinese State Councillor Ji Pengfei met an American Indian log and wood products trade mission here today. Led by Louis G. Sleeper, advisor to the U.S. Development and Assessment Corporation, the delegation arrived here on April 11 to discuss cooperation with relevant Chinese departments in timber and paper pulp production.

NAKASONE MEETS SONG PING, SHAANXI GOVERNOR

OW122008 Beijing XINHUA in English 1929 GMT 12 Apr 85

[Text] Tokyo, April 12 (XINHUA) -- Nongovernmental economic cooperation between Japan and China should mainly focus on medium and small-sized enterprises, while large projects should be left to the governments, said Japanese Prime Minister Yasuhiro Nakasone when he met here this evening with Song Ping and He Kang, Chinese ministers of the State Planning Commission and of Agriculture, Forestry and Animal Husbandry.

Song, who is also state councillor, agreed that cooperation between medium and small-sized enterprises is significant because it will expand Sino-Japanese cooperation into various economic fields.

Nakasone pointed out that trade between the two nations has made headway, totaling over 13 billion U.S. dollars last year..

Song said that trade momentum has picked up this year, adding that during his visit he found Japanese leaders and enterprisers have positive attitudes toward cooperation between the two nations.

Song told the Japanese prime minister that the first Sino-Japanese overseas cooperative fund has been put to good use and said that he had even higher hopes for the second such fund.

Nakasone said that while Japan-China cooperation is developing toward the 21st century, there still exist some problems. However, he said, those problems can be solved through consultations under the principles of peace and friendship, equality and mutual benefit, mutual trust, and long-term stability.

Chinese Ambassador Song Zhiguang also attended the meeting. This afternoon, the Japanese prime minister also received a delegation from China's Shaanxi Province headed by Li Qingwei, governor of the province.

PRC WATER RESOURCES MINISTER LEAVES JAPAN

OW140858 Beijing XINHUA in English 0741 GMT 14 Apr 85

[Text] Tokyo, April 14 (XINHUA) -- Chinese Minister of Water Resources and Electric Power Qian Zhengying wound up her visit to Japan and left Osaka for home this morning. Qian and her party arrived here on April 1 at the invitation of Japanese Ministry of International Trade and Industry and the National Land Agency.

During her visit, the Chinese minister met with Director General of the National Land Agency Kakuzo Kawamoto, Minister of International Trade and Industry Keijiro Murata, Director-General of the Economic Planning Agency Ippei Kaneko and Minister of Construction Yoshiaki Kibe. Qian also discussed the possibility of cooperation with industrialists and businessmen in the fields of water resources, power and building industries.

NPC'S ZHU XUEFAN MEETS JAPANESE DELEGATION

OW121156 Beijing XINHUA in English 1136 GMT 12 Apr 85

[Text] Beijing, April 12 (XINHUA) -- Zhu Xuefan, vice-chairman of the Standing Committee of the National People's Congress, met here today with a delegation from Shizuoka Prefecture's Dietmen's League for Japan-China Friendship. The delegation headed by Speaker of the Prefecture Assembly Shigeo Ichikawa arrived in Hangzhou on April 7 on a goodwill visit as guest of the Standing Committee of the Zhejiang Provincial People's Congress. Zhejiang established ties of friendship with Shizuoka in 1982.

FURTHER ON HU YAOBANG'S VISIT TO AUSTRALIA

15 Apr Luncheon

OW161316 Beijing XINHUA Domestic Service in Chinese 1611 GMT 15 Apr 85

[Text] Canberra, 15 Apr (XINHUA) -- Australia's Prime Minister Hawke gave a luncheon in Parliament House today to warmly welcome General Secretary Hu Yaobang of the CPC Central Committee on his visit to Australia. Hawke stressed that Hu Yaobang's visit is an "historic one" which represents an "important milestone" in the development of bilateral relations between China and Australia and "marks an important phase in the development of relations between the two countries in the direction of stability and good-neighborliness."

Present at the luncheon on the Australian side were: McClelland, president of the Senate; Jenkins, speaker of the House of Representatives; (Kieran), leader of the House of Representatives; Bowen, deputy prime minister and attorney general; Button, government leader in the House of Representatives and minister of industry, technology, and commerce; Grimes, minister of community services; Willis, minister of employment and industrial relations; Walsh, minister of finance; Keating, treasurer; Hayden, minister of foreign affairs; Michael Young, special minister of state; Susan Ryan, minister of education; Evans, minister of resources and energy; Kerin, minister of primary industry; Beazley, minister of defense; Brown, minister of sport, recreation, and tourism; Blewett, minister of health; Scholes, minister of territories; Cohen, minister of arts, heritage, and environment; Holding, minister of aboriginal affairs; Gietzelt, minister of veterans affairs; and Uren, minister of local government and administrative services, as well as Peacock and other opposition leaders and leaders of the industrial and commercial circles.

Invited to attend the luncheon were Hu Qili, member of the CPC Central Secretariat; Yang Dezhong, deputy director of the General Office of the CPC Central Committee; Zhu Qizhen, vice minister of foreign affairs; Wang Pinqing, deputy to the minister of foreign economic relations and trade; Ruan Chongwu, vice mayor of Shanghai; and Nie Gongcheng, Chinese ambassador to Australia.

An atmosphere of warmth and friendship permeated the dining hall of Parliament House. Inside, the national flags of China and Australia were hung and the tables were bedecked with dazzlingly beautiful fresh flowers. General Secretary Hu and Secretary Hu Qili had cordial conversations with Prime Minister Hawke, the Senate president, the House speaker, and the foreign minister. Others present at the luncheon also conversed in a harmonious atmosphere.

Prime Minister Hawke was the first to speak amid warm applause. He noted that "in spite of the difference between the social systems of China and Australia, we have established a kind of friendship between us that will make our relations continue to develop in depth." He said he had already expressed "support for China's development and the cause of its people's welfare."

Hawke said: Australia's growth over the past 2 decades has become intimately linked to that of the Asia-Pacific region and the linkage with China will grow still more crucial with the years. He said Australians should accept the historic challenge to "work with China and to integrate our economy with the dynamic western Pacific region."

Speaking on international and regional issues, Hawke said: "We agree on many matters, and in areas where there is not an exact coincidence of views, we can seek to identify long-term objectives toward which we can work constructively."

Hawke expressed the hope that the Indochinese countries, finding their own independent places politically and economically, would be a part of this region of peace. He said: "If Australia is to be able to attain the goal of establishing political and economic relations with China and other countries in the western Pacific region before the end of this century, we must all face the fact that there is the danger of our achievements being destroyed if there is still an isolated country in this region which is not on friendly terms with other countries and obstinately follows the Soviet Union and its allies. As we make progress toward our own goals, we must seek to make available the options and opportunities for Vietnam to diversify its relations and achieve a more satisfactory relationship with all of its neighbors. He said: Australia will continue to do what it can to help progress toward a solution of the Cambodian problem. "To this end, we look forward to maintaining our dialogue with China and other concerned countries."

Hawke expressed delight that from Australia, Hu Yaobang would visit New Zealand, Western Samoa, Fiji, and Papua New Guinea. He said: "For Australia, these countries are very important friends and cooperators. We welcome your interest in further strengthening China's relations with our neighboring countries in the Pacific."

Referring to Sino-Australian bilateral relations, Hawke said: Our friendship and cooperation with China are supported by the vast majority of the Australian people and have become a major central task" [quotation mark as received] in the diplomatic policy of the main political party of our country.

Finally, Hawke hoped that "the unbreakable friendship between us and the mutually beneficial cooperation between our two great countries would be successfully consolidated." He said that "nothing could be more important to this and the next generation of Australians."

Then, Australian opposition party leader Peacock made a speech. He said that both parties of Australia knew clearly the importance of relations with China and that these relations were based on a solid foundation. Peacock said: "The broad-scale modernization program that you have started has inestimable importance to China as well as the whole world. This economic and social reform program was elaborately designed. It is not only of long-term significance but is also suitable for achieving fast development and quickly improving the people's living standards."

On the economic development of the Asian-Pacific region, Peacock said: "The economic development here depends on regional political stability. Our policy must be one of steadily easing the tense relations, breaking through political and economic obstacles, and seeking a guarantee for the Chinese and Australian peoples to work together for their interests through their dynamic developments."

He stressed: "Despite the different strategic positions of Australia and China, both of us are concerned about the stability and peace of this region." He added: "Your visit to Australia, New Zealand, Papua New Guinea, Fiji, and Western Samoa is a symbol showing that you are strengthening contacts with this region of the Pacific. We welcome this act which I firmly believe will be conducive to a more stable and prosperous region."

Then, General Secretary Hu Yaobang began to speak. First of all, he expressed appreciation for the warm speeches made by Prime Minister Hawke and Peacock. He then said: "Australia is not only an old continent on earth but also a young, vigorous country. The famous works by your celebrated writer Henry Lawson, such as 'The Shearer's Wife' and '(?Pass the Hat),' give people an unforgettable impression of the early laborers who explored Australia. Your forefathers presaged that you would build a great and glorious country under the Southern Cross. You have not fallen short of your forefathers' expectations."

"With your industrious hands and the unremitting efforts made through successive generations, you have opened up a new world of prosperity and wealth in the vast wilderness, creating what your people call 'God's own country for the brave.' It is no exaggeration to say that this has been a tremendous success in the modern history of mankind. You are now prepared to greet the grand bicentennial of your country. I wholeheartedly wish that you will build up your country still better and win even greater success in the days to come."

He said: In the 13 years since the establishment of diplomatic relations between China and Australia, smooth and rapid progress has been made in the friendly and cooperative relations between the two countries. In particular, following the exchange of visits between the premiers of the two countries in the last 2 years, Sino-Australian economic cooperation is making rapid progress. "Now, we are no longer far away and unfamiliar countries, but are harmonious, friendly countries and important trade partners. We are all happy over this. I wish to take this opportunity to express my deep respects to all our Australian friends in numerous circles, government workers and the public alike, who have contributed to the cause of Sino-Australian friendship and cooperation."

Hu Yaobang said: "From a historical point of view, China and Australia began contacts rather late, and they may be called new friends. But there are advantages to being new friends. There is an ancient Chinese saying: 'The greatest happiness is to have made a new friend.' The relations between our two countries have important characteristics; that is, there are between us neither conflicts of fundamental interests nor historical grievances. Established from the very beginning on the basis of equality and mutual benefit, Sino-Australian friendly and cooperative relations have many advantages and great potential, and their future is all bright."

He said: "China is a country which has gone through a great deal of suffering and knows very well the value of independence and peace. In a big but rather economically and culturally backward country such as ours, we have to work hard for 50 years or even 100 years to achieve modernization. With our socialist system and rich resources, there is no need nor the possibility for us to outwardly seek expansionism. The only things we need are to seek friendship, to seek peace, to seek mutually beneficial cooperation with countries of the Asian-Pacific region, and to seek mutually beneficial cooperation with all nations in the world which treat us on the basis of equality."

Hu Answers Reporters' Questions

HK161534 Beijing ZHONGGUO XINWEN SHE in Chinese 1330 GMT 16 Apr 85

[Excerpts] Canberra, 16 Apr (ZHONGGUO XINWEN SHE) -- General Secretary Hu Yaobang today talked extensively about major affairs in the world at a luncheon held at the Australian National Press Club and answered questions raised by reporters.

A reporter asked: "Before you left your country, you talked about the question of the visit of U.S. warships to China. Is there anything identical in Chinese and New Zealand policies on this question?"

General Secretary Hu said: "As for the friendly visit of U.S. warships to China, our embassy has already given an explanation at the order of our government and your newspapers published this news today. I have nothing more to say on this. As for New Zealand's stand on this question, it is a question related to its internal affairs, and I also have no comment on that." General Secretary Hu's answer drew an outburst of laughter.

A reporter asked: "Does China maintain its relations with the Indonesian Communist Party? How will China help Indonesia dispel their misgivings?"

He answered: "For our part, there are no problems that hinder the restoration of our diplomatic relations with Indonesia. We will be patient since Indonesia has its own difficulties. In fact, we have no connection at all with the Indonesian Communist Party, and there is no way for us to establish any connection with it if we wanted to do so."

The reporter for the MELBOURNE HERALD TRIBUNE asked: "When meeting some reporters in Beijing, the general secretary reportedly mentioned that differences seemed to exist between Prime Minister Hawke and Foreign Minister Hayden. Can you confirm whether this report is true? How does China view Hayden's visit to Vietnam?"

After lighting a cigarette, Hu Yaobang said: "I have had good talks with Prime Minister Hawke. He is a brilliant statesman, and he cherishes noble and friendly feelings toward China. It is only after I arrived in your country that I came to know Foreign Minister Hayden. I remember that the first words I spoke to him were: 'You are an outstanding diplomat.' I have no clear ideas about other things concerning them. We fully understand that Australia hopes for the settlement of the Indochina problem at an early date with the best of intentions." Then Hu Yaobang added: "The basic positions of our two countries on the Indochina problem are identical."

The moment an Australian Broadcasting Corporation reporter raised a question, the whole room rocked with laughter. The question turned out to be: "It was said that during the Great Cultural Revolution, you spent 2 years sweeping the cowshed. Is this true? If it is, let Australian leaders try it."

Hu Yaobang also laughed. He said: "China experienced a very unfortunate disaster in the Great Cultural Revolution. Many people suffered persecution, like me. I am only one of them, and I suffered only relatively slight persecution. The best guarantee that the hundreds and thousands of cadres, intellectuals, workers, and peasants who suffered persecution have is that (he rose to his feet, waved his right hand, and said loudly) we will never carry out such a cultural revolution again." Enthusiastic applause immediately broke out in the hall.

A reporter again asked the question about U.S. warships: "Since you came, you have talked with Australian and New Zealand reporters about the visit of U.S. warships. Are you surprised that there are commentaries and reports both in Australia and New Zealand on what you have said?"

Hu Yaobang said: "I have nothing more to say. A very important idea that I said then is that the Australian press circles have done lots of work to ease international tension, make contributions toward enhancing the friendship between the peoples of various countries, and toward strengthening Sino-Australian friendship." At this, the people in the hall gave sustained applause.

Economic Cooperation Discussed

OW161443 Beijing XINHUA in English 1424 GMT 16 Apr 85

[Text] Canberra, April 16 (XINHUA) -- Prospects for cooperation between China and Australia in the iron and steel industry are very good, says a press communique summing up today's talks between General Secretary Hu Yaobang and Prime Minister Robert Hawke which focused on economic cooperation between the two countries.

The two sides agreed that much progress had been made under the auspices of the joint study group on iron and steel set up in February last year.

The communique goes on to say that the two sides will encourage enterprises of the two countries to reach mutually profitable commercial arrangements in accordance with the principles accepted by both sides.

Special mention was made of the projects at Channer, Kwinana and elsewhere.

Cooperation in the steel industry can be in the form of joint ventures or long-term trade contracts. An increase in Australian investment in steelmaking in China is also envisaged, says the communique.

Hu Yaobang and Hawke agreed that the two governments will assist in providing a framework of communication and trust so that the cooperation will continue smoothly.

The communique also announces that Australia will send a high-level delegation to China to discuss the opportunities for cooperation in the development and planning of China's transport industry; another Australian delegation will review with Chinese authorities the possibility of further cooperation in the areas of non-ferrous metals and railways; and a new joint study group will be set up to concentrate on the wool industry.

Hu Yaobang expressed the hope that efforts would be made to facilitate an increase of Chinese exports to Australia so as to reduce China's trade deficit with Australia, the communique says. Hawke indicated that Australia was making such efforts under its "China action plan."

The two sides also agreed that they will continue to explore the possibility of Australian companies purchasing Chinese oil.

The two leaders also discussed the efforts being made to develop cooperation between Australia and particular Chinese provinces.

Hu Meets Party Leaders

OW161735 Beijing XINHUA in English 1726 GMT 16 Apr 85

[Text] Canberra, April 16 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang met with leader of the Australian opposition Andrew Peacock here this afternoon.

The general secretary, accompanied by Hu Qili and others, met with Peacock in the opposition leader's office in the House of Parliament. Also present was Ian Sinclair, leader of the Australian National Party.

Hu Yaobang remarked to Peacock that his contributions to the promotion of Sino-Australian relations when he was foreign minister in 1983 would be remembered.

Hy Yaobang later met with Senator Douglas McClelland, president of the Senate, and Henry Jenkins, speaker of the House of Representatives.

Later in the afternoon, the Chinese Communist Party leader and other delegation members called on Neville Wran, president of the ruling Australian Labor Party (ALP), and Bob McMullan, national secretary of the ALP.

Farewell Reception in Canberra

OW161406 Beijing XINHUA in English 1321 GMT 16 Apr 85

[Text] Canberra, April 16 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang said here this evening that his current visit to Australia has deepened the existing friendship between the two countries and peoples.

In impromptu remarks at his farewell reception at the hotel where he is staying, Hu expressed his deep appreciation for the warm hospitality he received during his visit here.

The Chinese party leader then proposed a toast to the friendship between the Chinese and Australian peoples using his new word of English, "cheers."

Prime Minister Hawke in return said that although he would do almost anything to promote friendly relations between the two countries, he could not down a glass of "maotai" because he has given up alcohol. On a more serious note, he said Australians could be reassured that following the general secretary's visit, the "already strong and warm relations" between the two countries would enter an even more productive period.

More than 450 people attended the reception including president of the Australian Senate Douglas McClelland, Deputy Speaker of the House of Representatives Henry Jenkins, Deputy Prime Minister Lionel Bowen, Foreign Minister William Hayden, opposition party leader Andrew Peacock, National Party leader Ian Sinclair, as well as other Australian Cabinet ministers.

Attends Bank Ceremony

OW170144 Beijing XINHUA in English 0113 GMT 17 Apr 85

[Text] Canberra, April 17 (XINHUA) -- A banking authority (licence) was issued to the Bank of China today to reopen its business in Sydney.

Visting Chinese Communist Party leader Hu Yaobang and Prime Minister Robert Hawke looked on as Paul Heating, Australian treasurer, handed over the authority to Chen Zhengtai, general manager of the Bank of China's Sydney branch.

Speaking at a brief ceremony, the treasurer told Hu that the re-establishment of the Bank of China is a positive step in further strengthening the economic and commercial relations between Australia and China. Hu said that the event represented yet another flower of friendly cooperation between the two countries.

The Bank of China in Sydney, which will place emphasis on facilitating trade and investment between China and Australia, is the 17th foreign bank in this country.

Urges More Foreign Investment

OW170718 Beijing XINHUA in English 0631 GMT 17 Apr 85

[Text] Canberra, April 17 (XINHUA) -- Chinese party leader Hu Yaobang today encouraged the world business circles to enter into economic cooperation with China, saying the cooperation will help China in her development as well as promote the prosperity and development of the business of the foreign partners.

During an informal discussion held here with personages from the advisory committee of economic planning and the business community in Australia, General Secretary Hu said, "we Chinese never treat our friends unfairly."

He underlined three points meriting common attention in order to "ensure a smooth development" of the economic cooperation between China and Australia as well as other foreign partners.

First, he said, one must keep long-term interest in mind. "In cooperating with China, one must not only weigh immediate advantages and disadvantages, benefits and losses of each individual case, but, more importantly, have farsightedness and courage in opening up new areas of cooperation. Some projects might not be very profitable in a short period of time, but in the long run, they may prove to be really profitable and wise undertakings."

"Second, one must always bear mutual benefit in mind. Right now, China runs a deficit in her trade with Australia, totalling more than five billion U.S. dollars. We are not seeking an absolute balance. However, if this situation should continue, China's ability of payment will become so weak that she cannot afford to buy things from Australia as she wishes. It is my hope that while trying to promote the sale of your goods to China, you would consider seriously ways to help China expand her exports," he continued.

"Thirdly, mutual understanding and adaptation are necessary. China's national conditions and ways of doing business are different from those of Australia. This has made mutual understanding and adaptation necessary. We must try to adapt ourselves to your ways and learn how to do business with you. You should also try to know us better and deal with us in a way that suits China's national conditions. This would make it easier for the two sides to come to terms," he added.

He assured that there are three advantageous conditions for further Sino-Australian economic cooperation. First, he said, both China and Australia are situated in the Pacific region and are friendly towards each other. Second, both China and Australia have vast territories and rich natural resources, but each has different strong points. Therefore, the two countries can complement each other by giving full play to their advantages to make up for their deficiencies, Hu noted. The third advantage is China's policy of opening to the outside world, he added.

He told the Australian friends that recently, following the establishment of the four special economic zones and the opening of the 14 coastal cities, the Chinese Government has further designated the whole Changjiang River (Yangtze) Delta, Zhujiang River (Pearl River) Delta, and the triangular area marked by Xiamen (Amoy), Zhangzhou and Quanzhou of Fujian Province as open economic zones.

He said that China is trying to quadruple its gross output value of industry and agriculture of 1980 to 1,000 billion U.S. dollars by the end of the century and the volume of foreign trade will also be quadrupled to reach 160 billion U.S. dollars.

Hu Yaobang expressed his belief that "this goal can be attained and even overfulfilled" in the light of recent economic development in China.

In this connection, Hu hoped that Sino-Australian trade, which he said "had a very modest beginning" and its annual volume now is only around one billion U.S. dollars, will also be quadrupled by the end of this century and reach four billion U.S. dollars or more.

Hu noted that more and more farsighted people of the international business circles have become aware of the fact that "China is a big market with an enormous potential." "They are paying a great attention to their economic cooperation with China with greater vitality and more competitive terms," Hu added.

The Chinese party leader invited Australian businessmen to "go to China more often to study the market there, and further explore possibilities and avenues for economic cooperation. To begin with small and medium-sized cooperation projects is more advisable through which you can gain experience to guide further step-by-step expansion." He urged Australian businessmen to "make up your mind quickly once you are sure of success so as to lose no time in expanding the cooperation."

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PRC INTERNATIONAL AFFAIRS
SOUTHEAST ASIA & PACIFIC

Leaves Canberra for Sydney

OW170246 Beijing XINHUA in English 0236 GMT 17 Apr 85

[Text] Canberra, April 17 (XINHUA) -- Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, left here for Sydney this morning.

Prime Minister Robert Hawke presided over a departure ceremony at Parkes Place in front of the Parliament House. The ceremony took place shortly after a meeting and discussions between the general secretary and the prime minister and some members of the Economic Planning Advisory Council.

At the end of the ceremony, the prime minister bade farewell to General Secretary Hu and his party amid a 19-gun salute.

Luncheon Welcomes Hu

OW170702 Beijing XINHUA in English 0644 GMT 17 Apr 85

[Text] Sydney, April 17 (XINHUA) -- Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party, flew in here from Canberra at noon today.

He was met at the airport by Premier of New South Wales N.K. Wran, who shortly afterwards hosted a luncheon at the Regent Hotel. The general secretary and his party are to stay in the hotel before they proceed on to New Zealand tomorrow.

Hu Yaobang and his party, including member of the CPC Central Committee's Secretariat Hu Qili, received a warm welcome from several hundred representatives from the local Chinese community upon their arrival at the airport. The well-wishers waved miniature national flags of China and Australia and chanted to Hu Yaobang, "How are you, General Secretary Hu!" Many extended out hands to shake hands with him. Hu Yaobang acknowledged the welcome with clasped hands waving above his head.

Hu Qili Speaks at Luncheon

OW170810 Beijing XINHUA in English 0754 GMT 17 Apr 85

[Text] Sydney, April 17 (XINHUA) -- Neville K. Wran, premier of New South Wales, Australia, today gave a luncheon in honor of Chinese Communist Party General Secretary Hu Yaobang and his party.

In his welcoming speech, Premier Wran said that Hu's visit was doubly welcome for what it represented -- an indication of the importance the government and people of China attached to the close and friendly relations between China and Australia, and as another most important step in the deepening and broadening of that relationship.

People in New South Wales, the premier continued, took particular pride in the fact that during recent years his state had been at the forefront of the Australian effort, on the part of both governments and business, to establish closer relations with China. He added that the State of New South Wales had a well-established sister relationship with Guangdong Province, the first of such relationships to be established between Australian states and Chinese provinces.

Hu Qili, member of the Secretariat of the CPC Central Committee who is accompanying the general secretary on the visit, delivered a speech in English. On behalf of General Secretary Hu and in his own name, he thanked Wran and people from various circles of the state for the warm reception accorded them.

It would be very helpful for the Chinese visitors to come and get to know more about the achievements of New South Wales and Sydney in economic development, learn from their advanced experience, meet old friends and make new ones, he said.

Contacts and exchanges between China and Australia had been on the increase, Hu Qili continued. New South Wales played an important role in Sino-Australian trade. The government and people of New South Wales had made outstanding contributions to Sino-Australian friendly relations and cooperation. He mentioned in particular the role of Premier Wran, who had visited China three times in recent years, in promoting the growth of such relations.

He noted that between China and New South Wales, there were still many areas yet to be opened up for cooperation and that called for continue efforts of the two sides. He expressed the hope that New South Wales would continue to take the lead in further expanding cooperation in the economic, trade, scientific and technological fields between the two countries.

10TH ANNIVERSARY OF CAMBODIAN FOUNDING MARKED

Reception in Beijing

OW161516 Beijing XINHUA in English 1437 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- China today reiterated its firm support for the people of Kampuchea in their fight against Vietnamese aggression.

This came in a speech given by Chu Tunan, vice-president of the Chinese People's Association for Friendship With Foreign Countries, at a reception marking the tenth anniversary of the founding of Democratic Kampuchea here this afternoon. Chu reaffirmed that China would, as always, firmly support the struggle of the Kampuchean people. He expressed his conviction that the Vietnamese aggressors would surely meet with defeat no matter what kind of military attacks and political tricks they used.

Under the leadership of the Coalition Government of Democratic Kampuchea headed by President Norodom Sihanouk, and with the support of all the peace-loving and justice-upholding countries and peoples, he said, the heroic Kampuchean people would close their ranks and resolutely struggle to achieve final victory against Vietnamese aggression.

Chan Youran, the Kampuchean ambassador to China, gave a briefing on the current situation in the struggle of the Kampuchean Army and people. He said that during the present period of the seventh dry season of the war the situation was turning more and more in favor of the Kampuchean people, and the Vietnamese aggressors had landed themselves in a difficult position.

The international community, he said, was giving increasing support to the struggle of his people while strongly condemning Vietnam and demanding that it withdraw all its troops from Kampuchea.

Chan spoke highly of the Chinese Government and people's support for the Kampuchean people's just struggle against the aggressors and for national liberation.

Among those present were Liao Hansheng, vice-chairman of the Standing Committee of the National People's Congress.

The reception was sponsored by the Chinese People's Association for Friendship With Foreign Countries and the China-Kampuchea Friendship Association.

Li Xiannian, Zhao Message

OW170438 Beijing XINHUA Domestic Service in Chinese 1708 GMT 16 Apr 85

[Text] Beijing, April 17 (XINHUA) -- President Li Xiannian and Premier Zhao Ziyang sent a message on 17 April to Samdech Norodom Sihanouk, president; Khieu Samphan, vice president; and Son Sann, prime minister of Democratic Kampuchea on the occasion of the 10th national day of Democratic Kampuchea. The message reads in full as follows:

Democratic Kampuchea

Samdech Norodom Sihanouk, president of Democratic Kampuchea,

His Excellency Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs,

His Excellency Son Sann, prime minister of the Coalition Government of Democratic Kampuchea:

On the occasion of the 10th anniversary of the founding of Democratic Kampuchea, we, on behalf of the Chinese Government and people and in our own names, wish to express our warm holiday greetings and highest respect to you and, through you, to the Kampuchean Army and people fighting on the front line against the Vietnamese. [XINHUA in English at 1600 GMT on 16 April in a similar report adds the word "invaders."]

During recent years, the heroic Cambodian people, under the leadership of the Democratic Kampuchean Coalition Government headed by Samdech Norodom Sihanouk, have carried out an arduous and unyielding struggle with one heart and one mind, and advanced wave upon wave to oppose [the XINHUA English version says "defeat"] the barbarous aggression of the Vietnamese and to safeguard the independence and dignity of the Cambodian nation.

It has been proved that the Cambodian people who are determined to fight for national independence cannot be conquered. [The XINHUA English version adds: "by force."] The present situation in Cambodia continues to develop in a favorable direction for the Kampuchean people's struggle against the Vietnamese. [The XINHUA English version adds the word "invaders."] All military blackmail and political plots by the Vietnamese aggressors are doomed to fail. An independent, peaceful, neutral and non-aligned Cambodia will stand up again in the world.

Taking a stand against hegemonism and for the maintenance of world peace, the Chinese Government and people will firmly support the Cambodian people in their just struggle against the Vietnamese aggression. In future years, the Chinese Government and people will, as always, continue to support the Coalition Government of Democratic Kampuchea headed by Samdech Norodom Sihanouk and the patriotic forces of the various [the XINHUA English version says "three"] factions of Democratic Kampuchea in their struggle against the Vietnamese till they win the last victory.

Li Xiannian, president of the People's Republic of China

Zhao Ziyang, premier of the State Council of the People's Republic of China

Beijing, 17 Apr 1985

RENMIN RIBAO Commentator

HK170948 Beijing RENMIN RIBAO in Chinese 17 Apr 85 p 7

[Commentator's article: "Ten Years of Fighting To Defend National Independence"]

[Text] Today is the 10th anniversary of the National Day of Democratic Kampuchea. In the past 10 years, Vietnamese regional hegemony has continuously carried out activities of aggression and expansion against Cambodia in order to rig up an Indochinese federation, but the people of Democratic Kampuchea have been waging a continuous heroic struggle against Vietnam in order to safeguard national independence and state sovereignty, and have achieved great victories. We take this opportunity of the 10th anniversary of the National Day of Democratic Kampuchea to extend warm greetings and express

our highest respect for the patriotic Cambodian forces and people who are fighting on the first front against aggression.

The struggle of the Cambodian people to safeguard their national independence has traversed a tortuous road. The Vietnamese authorities, which are bent on acting as the leader of Indochina, long ago harbored the ambition of expansion into Cambodia. Immediately after the conclusion of the war to resist the United States, the Vietnamese authorities sent their troops to occupy Koh Wai in Cambodia and repeatedly intruded into Cambodia's border areas. All efforts made by the Democratic Kampuchean Government to peacefully settle the Cambodian-Vietnamese border issue have been undermined by the Vietnamese authorities. Since September 1977, the Vietnamese authorities have openly sent large numbers of troops across the borders to launch large scale offensives against Cambodia and created conflicts on the border areas. At the end of 1978, the Vietnamese authorities brazenly ignored the international norms and dispatched over 100,000 troops to start an undeclared war of aggression against Cambodia. Their troops drove straight to Phnom Penh, occupied it, propped up a puppet regime, and tried in vain to "legalize" their aggression against Cambodia. Vietnam's aggression against Cambodia has not only trampled upon Cambodia's independence and state sovereignty, but has also seriously threatened the peace, security, and stability of the Asian-Pacific region, Southeast Asia in particular. Therefore, the aggression has been resolutely resisted by the Cambodian people and strongly denounced in world public opinion.

Under very difficult conditions, the heroic Cambodian people have united in their struggle, unfolded a guerrilla war, and formed the Coalition Government of Democratic Kampuchea with Prince Sihanouk as its head, thus bringing about a new situation of unity of the people of the whole country in resisting Vietnam. After trials of strength in the past few years, the Cambodian patriotic forces resisting Vietnam are developing with each passing day. At present, the flames of the war to defend the country and resist Vietnam are raging throughout Cambodia and the Vietnamese aggressors have been inextricably bogged down in a quagmire. Recently, in their large scale dry-season offensives against the Cambodian resistance forces, the Vietnamese troops have captured some camps of the resisting forces along the Cambodian-Thai border areas, but this has not changed Vietnam's difficult position in Cambodia. In coordination with each other, the Cambodian resistance forces have moved deep into the hinterland to carry out guerrilla activities. They have repeatedly attacked the enemies, thus placing the Vietnamese aggressors in an even more passive position.

The struggle against Vietnam which is being carried on by the Cambodian people is a just struggle against foreign aggression to safeguard national independence and state sovereignty. They have made valuable contributions to peace in Southeast Asia as well as in Asia and the world as a whole. Therefore, the struggle of the Cambodian people has always been resolutely supported by the Chinese people and has won the extensive sympathy and assistance of the international community. As long as the Vietnamese authorities have not unconditionally withdrawn all their aggressor troops from Cambodia, the Chinese people will, as always, continue to support the Coalition Government of Democratic Kampuchea headed by Prince Sihanouk until the Cambodian people have scored final victory in their patriotic struggle to resist Vietnam.

NPC'S NGAPOI NGAWANG JIGME MEETS NEPALESE GUEST

OW161540 Beijing XINHUA in English 1445 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- Ngapoi Ngawang Jigme, vice-chairman of the National People's Congress Standing Committee, met Kanchan Mala Chalisey, vice-chairwoman of Nepal's Katmandu Panchayat, here today. Chalisey, who is also deputy mayor of her city, arrived here on April 12 at the invitation of the Beijing Municipal Government.

NEPALESE PRIME MINISTER SUPPORTS PRC PEACE STAND

OW161510 Beijing XINHUA in English 1459 GMT 16 Apr 85

[Text] Katmandu, April 16 (XINHUA) -- Nepalese Prime Minister Lokendra Bahadur Chand said here today that China's dedication to world peace and its support of the Third World are appreciated.

In an interview with two visiting Chinese artists this afternoon, Chand said that China was one of the first countries to support Nepal's zone of peace proposal. "We express our appreciation and thanks for this," he said. He also said that cultural exchanges between Nepal and China would help promote the friendship that exists between the two neighbors.

In his own remarks, Yang Zhiguang, head of the Chinese painting department at the Guangzhou Academy of Fine Arts, commented to the prime minister that "we have found during our visit that the Nepalese people are not only industrious but also ingenious." At the end of their meeting, the Chinese artists presented two Chinese paintings to the prime minister.

Chinese Ambassador to Nepal Tu Guowei was present on the occasion. The two Chinese artists arrived here on April 11 from India after ending a visit there.

COMMUNICATIONS LINK WITH NEPAL TO BE ESTABLISHED

OW132001 Beijing XINHUA in English 1450 GMT 13 Apr 85

[Text] Katmandu, April 13 (XINHUA) -- Nepal expects a direct telecommunications link to be established soon between Katmandu and Lhasa, Nepalese Communications and Health Minister Rudra Bahadur Giri said here today. The minister made the statement to reporters at the airport on his return here from a nine-day visit to China. He said that during his visit, Nepal and China did reach agreement on establishing direct telecommunications ties between Katmandu and Beijing.

PLA DEPUTY CHIEF HOSTS PAKISTANI REAR ADMIRAL

OW151600 Beijing XINHUA in English 1550 GMT 15 Apr 85

[Text] Beijing, April 15 (XINHUA) -- Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army (PLA), gave a banquet for a delegation from the National Defense College of Pakistan led by Rear Admiral Tasnim here tonight.

In their toasts at the banquet, both Xu and Tasnim spoke highly of the friendship and cooperation between the Chinese and Pakistan peoples, and the Armed Forces of the two countries.

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SOUTH ASIA

They also expressed confidence in the further expansion of such relations. Present at the banquet were officers of relevant Chinese PLA departments, as well as Pakistan Ambassador to China Dr. Maqbool Ahmad Bhatti and Military Attache Brigadier A.M. Tariq. The delegation arrived here Sunday. It is scheduled to tour Xian and Shanghai before leaving for home.

PAKISTAN'S ZIA RECEIVES VISITING MUSLIM GROUP

OW150520 Beijing XINHUA in English 0231 GMT 15 Apr 85

[Text] Islamabad, April 14 (XINHUA) -- Pakistan President Ziaul Haq said this evening he wants to see the friendly relations between the peoples and Muslims of Pakistan and China will continue to develop in the days to come. Zia expressed this hope when receiving a visiting Muslim good-will delegation of the Ningxia Hui Autonomous Region of China headed by Haj Hei Boli, chairman of the region.

China, the president said, is a close neighbor of Pakistan and a big country with great potential. Pakistan has always regarded China as its good neighbor and intimate brother. The president also, on behalf of Pakistan Muslim sisters, extended an invitation to a Muslim sisters' delegation from Ningxia to visit Pakistan. He said he will send a Pakistan delegation to Ningxia.

Haj Hei Boli thanked the president for meeting the delegation and explained to him the life of Muslims in China and their religious activities. Chinese Ambassador Wang Chuanbin was present on the occasion.

The Chinese delegation arrived in Pakistan on April 12 for an eight-day visit and will leave for Egypt on April 20.

FAMILY PLANNING COOPERATION ACCORD WITH PAKISTAN

OW121924 Beijing XINHUA in English 1915 GMT 12 Apr 85

[Text] Islamabad, April 12 (XINHUA) -- China and Pakistan signed here today a protocol on cooperation in family planning programs. Under the protocol, the two sides will undertake joint efforts to popularize family planning education and to improve contraceptives. In addition, seminars will be held to train family planning personnel, and information will be exchanged.

The protocol was signed by the visiting Chinese State Family Planning Commission minister, Wang Wei, and the Pakistan finance and planning minister, Mahbubul Haq. Wang, heading a family planning delegation, will return home on April 14 after his week-long visit to Pakistan.

QIAO SHI MEETS INDIAN COMMUNIST PARTY HEAD

OW141318 Beijing XINHUA in English 1254 GMT 14 Apr 85

[Text] Beijing, April 14 (XINHUA) -- Qiao Shi, alternate member of the Secretariat of the Chinese Communist Party Central Committee, met Ram Dass Menon, member of the Central Committee of the Communist Party of India (Marxist), and his wife here this afternoon. The Indian guests arrived here on April 5 for a goodwill visit at the invitation of the International Liaison Department of the C.P.C. Central Committee. Qian Liren, head of the International Liaison Department, hosted a dinner for them on April 6.

DENG XIAOPING MEETS BELGIAN MARTENS, PRESS

Urges USSR Remove 3 Obstacles

OW170802 Beijing XINHUA in English 0750 GMT 17 Apr 85

["Deng Urges Soviets To Start Removing Obstacles" -- XINHUA headline]

[Text] Beijing, April 17 (XINHUA) -- Chinese leader Deng Xiaoping suggested today that the Soviet Union could improve Sino-Soviet relations by gradually removing the three main obstacles between them...starting with the Kampuchean problem.

The three obstacles blocking the road to smooth relations were of equal gravity because they each constituted a threat to China, said Deng.

He was answering questions by Belgian reporters before meeting visiting Belgian Prime Minister Wilfried Martens here today.

One reporter asked which of the three obstacles -- involving Kampuchea, Afghanistan and Soviet forces stationed along the border with China -- was the most difficult to settle.

Deng, chairman of the Communist Party Central Advisory Commission, replied that a thorough normalization of Sino-Soviet relations depended on the gradual removal of all the obstacles.

If it was too difficult for the Soviet Union to solve all three problems at once, "we think that these things could be done by starting with one of the obstacles".

Deng said the easiest one for the Soviet Union to start with would be to encourage Vietnam to withdraw its troops from Kampuchea.

This would not harm the Soviet Union, nor would it impair its relations with Vietnam. So it would be a sensible course for the Soviet Union to take, Deng said.

Discusses World Peace

OW171156 Beijing XINHUA in English 1138 GMT 17 Apr 85

["China and Europe 'Forces for Peace', Says Deng" -- XINHUA headline]

[Text] Beijing, April 17 (XINHUA) -- China and Western Europe are two powerful forces to check the danger of world war, Chinese leader Deng Xiaoping said here today.

At a meeting with visiting Belgian Prime Minister Wilfried Martens in the Great Hall of the People, Deng said the danger of war still existed, but the forces for world peace were growing stronger.

China needed peace badly in order to achieve its goal of modernization, Deng said. That was why China based its foreign policy on independence, and did not attach itself to any power blocs.

"Such an independent foreign policy is the most beneficial to peace," said Deng.

He said the policy of opening to the outside world was aimed at winning friends and speeding China's development. This was in the interests of the Chinese people, and should also help achieve a lasting world peace.

The Belgian prime minister told Deng that it was his second visit to China since 1978, and that he had noticed great changes in the country.

Deng said there had been some changes, but there would be even greater ones by the end of the century, and drastic changes would occur in the first half of the next century.

China's immediate goal was to raise living standards and achieve an annual per capita GNP of 800 U.S. dollars by the end of this century.

The next goal would be to approach the level of the developed countries over 30 to 50 years.

Deng said world peace and security required a powerful and united Western Europe.

The late Chairman Mao Zedong and late Premier Zhou Enlai had been supporters of unity in Western Europe, as he himself was, Deng said.

China and Western Europe, which had no conflict of interests politically, could coordinate their relations and help each other, Deng said. Once China became well-developed, its market potential would be quite significant.

Comparing China with Belgium, Deng said that China's annual foreign trade volume had just reached 50 billion U.S. dollars -- far smaller than that of Belgium, which had a population of only 10 million.

If China's foreign trade volume soared to 200 billion U.S. dollars, Western Europe could enjoy a much bigger share.

Deng described the prospects for economic and trade cooperation between China and Europe as "very good".

Martens said there were still difficulties in the process of integrating Western Europe, but it was making important progress. Only with political unity could Western Europe enjoy a bright future.

He said he was very glad that Deng Xiaoping and other Chinese leaders advocated a strong and united Western Europe and regarded it as a major factor in the maintenance of world peace.

The Belgian prime minister praised China's foreign policy of independence and non-alignment.

He said it was plain to see that China would continue its open policy, and he was confident that Sino-Belgian cooperation would grow to the benefit of both countries.

CPC GROUP LEAVES FOR GOOD-WILL TOUR OF BELGIUM

OW161512 Beijing XINHUA in English 1454 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- A Chinese Communist Party delegation headed by Central Committee member Wu Jinghua left here this evening to pay a goodwill visit to Belgium as guests of the Belgian Communist Party.

This is a return visit for the one a delegation from the Central Committee of the Belgian C.P. made in May 1983.

Seeing the delegation off at the airport was Li Shuzheng, alternate member of the C.P.C. Central Committee and deputy head of its International Liaison Department.

FURTHER ON VISIT BY FRENCH MINISTER CRESSON

Visits Guangdong

HK161214 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 15 Apr 85

[Text] At noon today at Panxi Restaurant in Guangzhou, Governor Liang Lingguang met and feted Madam Edith Cresson, minister of industrial redeployment and foreign trade of France, and her delegation.

Governor Liang Lingguang said: Over the past few years, the cooperative relationship in economics and trade between Guangdong and France has developed relatively smoothly. Very great success in the joint ventures of petroleum, the chemical industry, motor vehicle manufacturing, industry, and food has been achieved. A large number of projects, including a nuclear power plant, telecommunications, and tourism, are under negotiation. It is hoped that bilateral cooperative relations will be further strengthened in the future.

Signs Economic Accord

OW161533 Beijing XINHUA in English 1448 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- China and France signed here today a long-term agreement on the development of economic relations and cooperation and two documents on French loans to China.

The three documents were signed here this afternoon at the end of the six-day fifth meeting of the Sino-French Joint Committee.

The agreement was signed by Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin and French Minister of Industrial Development and Foreign Trade Madame Edith Cresson.

It stipulates that the two countries take every relevant means to create favorable conditions for the promotion of their mutually beneficial cooperation, as well as speedy and coordinated development of their economic relations.

The two governments will also encourage their enterprises and institutions to form closer ties and help small- and medium-sized enterprises take part in bilateral exchanges.

According to the agreement, the two governments have agreed to expand their cooperation in energy, telecommunications and information, transport, port and airport facilities, mining, agriculture, and the metallurgical, chemical, machine-building and textile industries.

Under the two other documents signed this afternoon, France will provide China with development loans and loans for microwave and telephone exchange projects.

Cresson returned here earlier today from Guangzhou, capital of Guangdong Province in south China.

She told XINHUA after her visit to the 1985 China Spring Export Commodities Fair there that she believed Franco-Chinese trade would be at least doubled in a few years through cooperation.

More than a dozen projects have been carried out or are still being discussed between France and the south China province, including those on nuclear power, automobiles and petroleum.

WU XUEQIAN MEETS FRENCH ACADEMIC VISITORS

OW131118 Beijing XINHUA in English 1039 GMT 13 Apr 85

[Text] Beijing, April 13 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met with Thierry de Montbrial, director of the French Institute of International Relations, and his party here this afternoon.

Wu briefed the visitors on China's current economic reform and foreign policy. They also exchange views on some international issues.

The French Institute of International Relations, former Foreign Policy Research Center, was set up in 1935. It mainly engages in research of world strategic situation, regional situation and foreign and defense policy of France. The center had established ties with more than 50 foreign institutes.

Montbrial and his party arrived here yesterday as guests of the Chinese People's Institute of Foreign Affairs and were guest of honor at dinner given by the institute's President Han Nianlong in the evening.

PRC, ROLLS ROYCE EXPAND ENGINE COOPERATION

OW161409 Beijing XINHUA in English 1355 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- China and Rolls Royce of Britain are to expand cooperation on the manufacture of gas turbine engines for aircraft and ships, a company official said here today.

I.C. Carrott, Beijing liaison manager of Rolls Royce (China) Limited, said the engines would be for both civilian and military use.

He was speaking during a two-day gas turbine technical symposium which opened here today. He gave no further details of the planned cooperation.

The announcement followed the signing in England last week of a 16 million pound sterling (56 million yuan) contract between Rolls Royce and the China National Aerotechnology Import and Export Corporation.

Under the contract, Rolls Royce will provide gas turbine engines and manufacturing technology for generating electricity in the southern Xinjiang oilfield.

Last year, Daqing oilfield, in northeast China, bought from the company industrial gas turbine engines and manufacturing technology for the same purpose.

At today's symposium, A.G. Newton, technical adviser to the company chairman, and other experts briefed Chinese specialists on the latest developments in aircraft propulsion technology and demonstrator engines, and in technology for manufacturing industrial and marine gas turbines.

Jiang Xiesheng, vice-minister of the aeronautics industry, said at the opening ceremony that Rolls Royce and China had enjoyed a long history of trade and technical cooperation. In particular, the company had had more than 20 years of trade relation with CAAC, China's national airline.

He hoped China would make every effort to expand economic and technical cooperation with Rolls Royce to accelerate the development of the country's transportation industries.

3 PLANES ORDERED FROM AIRBUS INDUSTRIE FIRM

OW161447 Beijing XINHUA in English 1435 GMT 16 Apr 85

[Text] Beijing, April 16 (XINHUA) -- China has ordered three wide-body A310-200 airliners from Airbus Industrie, a joint venture of major European companies.

A declaration of understanding to this effect was signed here this evening by the China Aviation Supplies Corporation, acting as an agent for the Civil Aviation Administration of China (CAAC), and Airbus Industrie.

Hu Yizhou, director general of CAAC, and Jean Pierson, president of Airbus Industrie, were present at the ceremony for signing the first contract concluded by Airbus Industrie in China.

According to the contract, the first two A310-200 will be delivered in June 1985, with the third aircraft to follow in May 1986. Each of the A310 aircraft can carry a total of 228 passengers.

LI PENG TALKS WITH ITALIAN INDUSTRIALISTS

OW121532 Beijing XINHUA in English 1450 GMT 12 Apr 85

[Text] Beijing, April 12 (XINHUA) -- Chinese Vice-Premier Li Peng today exchanged views on cooperation in power station construction with a delegation from an Italian industrial group, Gruppo Industrie Elettro meccaniche per Impianti All'Esteri.

The delegation is headed by Luigi de Januario, president managing director of the group.

Present on the occasion was Graziella Simbolotti, charge d'affaires ad interim of the Italian Embassy here.

SWEDISH CONSUMER FEDERATION HOSTED AT BANQUET

OW151631 Beijing XINHUA in English 1624 GMT 15 Apr 85

[Text] Beijing, April 15 (XINHUA) -- Pan Yao, acting president of the Board of Directors of the All-China Federation of Supply and Marketing Cooperatives, met and hosted a banquet for a seven-member delegation from the Swedish Consumer Cooperatives Federation headed by Leif Lewin, president of the federation's executive committee, at the Diaoyutai state guest house here this evening.

The Swedish delegation arrived in Beijing this afternoon. During their stay in China, they will exchange ideas with their Chinese counterparts concerning economic and technical cooperation.

They are scheduled to tour Beijing and the Zhejiang Province to observe cooperative projects.

Lewin said at the banquet: "We are very interested in buying Chinese products and exporting technology to you. We shall discuss, in particular, ways of helping China to build cold storage."

The Swedish ambassador said: "In the past we have learned a lot from China, and now we are very happy to be able to teach China something. We are sure to have fruitful cooperation."

Swedish Ambassador to China Lars Bergquist also attended the banquet.

The delegation is scheduled to leave Beijing for home April 23.

FURTHER ON TANZANIAN VICE PRESIDENT'S VISIT

Hosts Banquet

OW151850 Beijing XINHUA in English 1840 GMT 15 Apr 85

[Text] Beijing, April 15 (XINHUA) -- Visiting Tanzanian Vice-President Ali Hassan Mwinyi said here today that his visit to China had been a success. Speaking at a return banquet he hosted for Chinese Vice-President Ulanhu here tonight, Mwinyi said that his talks with Chinese leaders Deng Xiaoping and Zhao Ziyang had been very useful and important.

He said that both sides had expressed satisfaction over the development of Tanzanian-Chinese relations and agreed to strengthen their cooperation in joint-ventures, trade, tourism, exchange programs and personnel training. He thanked the Chinese Government for its sympathy for and assistance to Tanzania in the latter's time of difficulty. He said that he and Chinese leaders agreed that the international community should make common efforts to defuse world tension and establish a new international economic order which was urgently needed.

Both Mwinyi and Ulanhu said that the Third World countries should strengthen their co-operation, which would be conducive to their common prosperity, the establishment of a new international economic order and world peace. Ulanhu pledged that China would work together with Tanzania to push forward their friendly relations. He also expressed the belief that the Tanzanian vice-president's visit had promoted cooperation and friendship between the two countries.

Aid, Trade Agreements Signed

OW151444 Beijing XINHUA in English 1409 GMT 15 Apr 85

[Text] Beijing, April 15 (XINHUA) -- A summary of talks on economic cooperation and trade between China and Tanzania was signed in the Great Hall of the People here this afternoon. The two governments also signed documents for China's donation of grain to help Tanzanian drought victims and medical supplies for Zanzibar's Pemba hospital.

Lu Xuejian, vice-minister of foreign economic relations and trade, and Taimur Saleh, visiting minister of finance of Zanzibar, signed the three documents on behalf of their governments. Present at the signing ceremony were Assistant Foreign Minister Zhou Jue, and Tanzanian Ambassador to China George C. Kahama.

LIAO HANSHENG MEETS TANZANIAN TRADE UNION GROUP

OW150754 Beijing XINHUA in English 0738 GMT 15 Apr 85

[Text] Beijing, April 15 (XINHUA) -- Liao Hansheng, vice-chairman of the Standing Committee of the National People's Congress, met with a delegation of the National Union of Tanzanian Workers (JUWATA) led by its president Horace Kolimba here this morning.

ENVOY CONVEYS LEADERS' GREETINGS TO SUDANESE HEAD

OW161900 Beijing XINHUA in English 1849 GMT 16 Apr 85

[Text] Khartoum, April 16 (XINHUA) -- Chinese President Li Xiannian and Premier Zhao Ziyang have sent their congratulations to General Siwar al-Dhahab in his new post of chairman of the Sudanese Military Transitional Council.

Greetings from the Chinese leaders were conveyed by Chinese Ambassador to Sudan Liu Hua this morning to the new Sudanese leader who assumed power on April 6 in a bloodless coup.

Al-Dhadhab said that the Chinese leaders' greetings indicated that his country enjoys friendly relations with China. "We thank the Chinese leaders very much for their support for the new Sudanese regime," he added. His government will make an effort to further develop relations with China, which is in conformity with the interests of both people, he said.

NIGERIAN FOREIGN MINISTER LAUDS RELATIONS

OW170824 Beijing XINHUA in English 0701 GMT 17 Apr 85

[Text] Lagos, April 16 (XINHUA) -- Nigerian Minister of External Affairs Ibrahim Gambari said that his first visit to China would put a political dimension to Sino-Nigerian relationship and give an impetus to still closer economic and cultural ties between the two countries. Gambari, who is scheduled to visit China in early May, said in a recent interview with XINHUA that the Nigerian Government had been taking the relations with China very seriously right since its inception 14 months ago. But he stressed that there was room for further cooperation in many sectors.

He said the economic relations between China and Nigeria were good but could be better. "We should now not lose any more time to bring the two countries closer together in economic and trade relations," he said. The prospects of Sino-Nigerian relations were good because "we have many things in common," he stressed. Referring to a scheduled Sino-Nigerian joint commission session in June this year, the minister promised that he would work for it to see very concrete achievements come out of that joint commission.

ZHANG JINGFU MEETS SENEGALESE MINISTER, PARTY

OW121134 Beijing XINHUA in English 1123 GMT 12 Apr 85

[Text] Beijing, April 12 (XINHUA) -- Chinese State Councillor Zhang Jingfu met with Balla Moussa Daffe, minister of scientific and technical research of Senegal, and his party here this afternoon. After his arrival in Beijing on April 10, Daffe had talks with Song Jian, minister in charge of the State Science and Technology Commission.

MINISTER CUI YUELI IN SENEGAL, MEETS PRESIDENT

OW120838 Beijing XINHUA in English 0738 GMT 12 Apr 85

[Text] Dakar, April 11 (XINHUA) -- Senegalese President Abdou Diouf expressed his hope today that the cooperation between China and his country will develop further. During his meeting here this afternoon with Cui Yueli, minister of public health of China, the president said that the Sino-Senegalese relations are an "example of South-South cooperation" and a "model of cooperation between states in the world."

The president stressed to the Chinese minister that medicine constitutes an important aspect in exchanges between the two countries. The two countries will continue friendly relations, he said.

Cui praised the progress made by the Senegalese people in their national construction and thanked the Senegalese Government for its aid to the Chinese medical group in the country. Cui, who is heading a Chinese delegation of public health, arrived here yesterday for a five-day visit.

JI PENGFEI ATTENDS PRC-AFRICAN ANNIVERSARY FETE

OW121210 Beijing XINHUA in English 1144 GMT 12 Apr 85

[Text] Beijing, April 12 (XINHUA) -- The 25th anniversary of the founding of the Chinese-African People's Friendship Association (CAPFA) was marked at a reception here this afternoon given by the Chinese People's Association for Friendship With Foreign Countries and CAPFA. Among those present at the reception were Chinese State Councillor Ji Pengfei and diplomatic envoys from various African countries.

Speaking at the reception, CAPFA President Gong Dafei said that to strengthen friendship and cooperation with African and other Third World countries constituted a basic point in China's foreign policy. His association would strive to improve its work for this goal, he pledged.

FRIENDSHIP DELEGATION LEAVES CAMEROON FOR CONGO

OW140938 Beijing XINHUA in English 0731 GMT 14 Apr 85

[Text] Yaounde, April 13 (XINHUA) -- A delegation of the Chinese People's Association for Friendship With Foreign Countries led by its Vice-President Wang Fulin left here this afternoon for Congo. During its eight-day friendly visit to Cameroon, the delegation was received by Minister of Foreign Affairs William Eteki Mboumoua, Minister of Youth and Sports Ibrahim Mbombo Njoya and President of the National Assembly Salomon Tandeng Muna.

A reception was given in its honor by Chinese Ambassador Shi Nailiang on Thursday. Cameroonian Foreign Minister Mboumoua and Minister of Youth and Sports Njoya also attended the reception. The delegation will also visit Ivory Coast, Rwanda and Madagascar

PARTY DELEGATION RETURNS FROM AFRICAN TOUR

OW151621 Beijing XINHUA in English 1600 GMT 15 Apr 85

[Text] Beijing, April 15 (XINHUA) -- A Communist Party goodwill delegation returned today after visiting Uganda, Rwanda, Zaire, Ethiopia and Mali. The delegation was led by Jiang Guanghua, deputy head of the International Liaison Department of the party Central Committee. After visiting Rwanda, Jiang represented the Chinese Communist Party at the second congress of the Malian People's Democratic Union.

DENG LIQUN MEETS EGYPTIAN RADIO, TV DELEGATION

OW141314 Beijing XINHUA in English 1252 GMT 14 Apr 85

[Text] Beijing, April 14 (XINHUA) -- Deng Liqun, member of the Secretariat and head of the Propaganda Department of the Chinese Communist Party Central Committee, met an Egyptian radio and television delegation here this afternoon. The delegation is led by Hussein Enan, president of the Egyptian Radio and Television Union.

An agreement on cooperation was signed by the Chinese Ministry of Radio and Television and the Egyptian union here yesterday. The agreement provides that the two sides will exchange programs to enhance mutual understanding between the Chinese and Egyptian peoples. The delegation arrived here on April 11.

GENERAL STAFF CHIEF NOTES STREAMLINING OF PLA

HK161616 Beijing ZHONGGUO XINWEN SHE in Chinese 1342 GMT 16 Apr 85

[Report: "Yang Dezhi Says China Is Streamlining Its Army"]

[Text] Beijing, 16 April (ZHONGGUO XINWEN SHE) -- According to a report in today's HUASHENG BAO, in a recent talk with a reporter of the newspaper, Yang Dezhi, chief of the PLA General Staff, said that some people in the world are talking about "disarmament" on a daily basis, but no country has taken the initiative to unilaterally carry out disarmament. China has not talked about "disarmament" and has even been misunderstood by some people as "disapproving of disarmament," but we have streamlined and reorganized our Army of our own accord, largely by reducing the number of our soldiers.

The chief of the General Staff said that China's Army is for defense. We will never invade an inch of foreign territory. We need to cut military expenditure so that we can spend more money on economic construction. Compared with previous years, the proportion of national defense expenditure in our country's financial budget has decreased instead of increased. The vast number of officers and soldiers have now realized that Army building and other work in the Army must be subordinate to and serve our country's four modernizations. Of course, the fact that we have streamlined our Army of our own accord is also related to our assessment of the whole international situation. Regional wars have never ceased in this world, but peaceful factors are increasing on the whole.

Yang Dezhi also introduced how the Chinese Army has actively taken part in the reform of the economic structure and supported national construction. Over the past few years, the Chinese Army has dispatched 10-odd divisions, in other words, more than 100,000 soldiers, to take part in the construction of the state's priority projects, such as Shangdong's Shengli oil field, Shenyang's south canal project, and the coordination project of diverting the Luan He to Tianjin. The Army has also dispatched many airplanes, warships, boats, and vehicles to assist local people in delivering goods, planting trees, and growing grass, conducting aerial surveys of mineral resources, fighting natural disasters, sending relief to disaster areas, and creating artificial rainfall. The Army has voluntarily planted some 28 million trees and carried out afforestation on 5,010,000 mu of land by sowing seeds using airplanes, thus making its contribution to greening the motherland.

ZHENG TUOBIN URGES CURBING UNOFFICIAL TRADE

HK160800 Beijing ZHONGGUO XINWEN SHE in Chinese 1432 GMT 15 Apr 85

[Report: "Zheng Tuobin Says Measures Should Be Taken To Stop Flow of 'Unofficially-Traded Goods'"]

[Text] Guangzhou, 15 Apr (ZHONGGUO XINWEN SHE) -- Zheng Tuobin, China's minister of foreign economic relations and trade, said today that measures must be taken to ensure unified arrangements in foreign trade and to prevent the disrupting influence of goods exported through unofficial channels.

After the opening of the Guangzhou Export Commodities Fair today, Zheng Tuobin met some Hong Kong and Macao celebrities, including Henry Fok and Ma Wanqi, and made the above statement. Guangdong Provincial Governor Liang Lingguang also attended the meeting.

Mr Henry Fok pointed out that people in the business circles of Hong Kong and Macao are seriously concerned over the problem caused by "parallel goods."

In recent years large quantities of undocumented vegetables exported from Shenzhen have seriously disrupted the markets in Hong Kong. He hoped that the trade and economic authorities on the mainland will seriously deal with this problem.

Mr Ma Wanqi said that the export of goods through unofficial channels without documentation is in essence a kind of smuggling in a semi-overt and disguised form. He pointed out that it is not only necessary to guard against underground smuggling activities, but is also necessary to check smuggling in an open and "legal" form. It is imperative for the foreign trade organizations on the mainland to reform their management system and carry out the open-door policy, but problems appearing in the course of reform must be properly solved and measures should be taken to prevent disruption of the markets in Hong Kong and Macao. Otherwise, both the state and businessmen in Hong Kong and Macao will suffer losses. Some inappropriate trade policies formulated by the authorities in the special economic zones may also provide opportunities for unofficial trading. Zheng Tuobin said that the state is considering a measure to increase the mandatory licensing of export goods. At present, 130 items have come under export licensing controls in China.

ENTERPRISES, FACTORIES SHORT OF ARTS GRADUATES

HK160721 Beijing CHINA DAILY in English 16 Apr 85 p 4

[By Zhang Xiaobei]

[Text] China's enterprises and factories are short of university graduates, especially those with non-technical degrees, because their total numbers are small and most of them are assigned to government organs, research institutes and teaching posts.

According to a survey in ECONOMIC INFORMATION, the Beijing-based Yanshan Petrochemical General Corporation has only 16 post-graduates and 2,177 graduates among its 42,000 workers. And most of them are engineers or technicians.

For example, Dongfanghong Oil Refinery, the largest factory in the corporation, has only one university graduate in liberal arts. And in the corporation's power plant, not even one cadre has received that kind of higher education. This has greatly hindered the corporation's development programme.

In fact, the problem revealed in Yanshan Petrochemical General Corporation is a result of social bias that regards natural sciences as more important than liberal arts.

The bias has become even stronger since the "Cultural Revolution," during which the arts were often regarded as rubbish, or frequently the first to be affected by the so called "class struggles." Owing to this backlash, many middle school graduates now prefer to learn natural sciences. Many parents and school teachers also encourage, and sometimes force their intelligent children or students to learn natural sciences, thus causing imbalance between students of sciences and arts.

Management takes a lot of learning and people majoring in the arts, as generally accepted, are more fit for the job than scientists. But if more young people, especially those talented ones, refuse to study non-technical subjects, both the number and the quality of university graduates in the arts will inevitably drop.

The majority of China's older managers have no professional training records. They are now to be replaced by better educated young people. But this process is endangered by the scarcity of university graduates with suitable study behind them.

As a result, many enterprises have to transfer their equally needed engineers to management posts. But the effort, although with good intentions, does not work well. Many of these engineering people are embarrassed because they can hardly adapt themselves to the new responsibility, or they are unwilling to give up their own specialities.

A signed article in ECONOMIC INFORMATION has called for immediate measures to deal with the problem. It says to overcome the bias, the backlash of the "Cultural Revolution" must be eliminated. Also, arts graduates who work in enterprises and factories should be paid the same as their colleagues who were trained in the sciences. If the state turns a blind eye to it and takes no action, this problem will surely turn into a social crisis and hinder China's economic reform.

It is, of course, unrealistic to expect China to solve the problem overnight. And the enrollment of students in the arts cannot be enlarged in a short time. But this does not mean that we have to wait helplessly. In this field, the management college under the Xi'an Jiaotong University has set a fine example.

This college has set up three two-year training classes since 1980 to meet the urgent needs of local enterprises and factories. They only enrolled cadres who had five years experiences in management work or technical people who will take up management responsibility. The results are good and about 80 per cent of the graduates are working as factory directors, managers, chief accountants and engineers, or workshop directors.

Beijing Economics College also set up a Consultative Service on Economical Management last year. It organizes its senior students and teachers to help enterprises run management training classes or plan development strategy. As these services are just what many enterprises badly need, the college received good response and has signed business contracts with many enterprises in Beijing, Tianjin, Wuhan, Qingdao, Yantai, Hebei and Zhejiang Provinces and elsewhere.

LU DONG EMPHASIZES NEED FOR ECONOMIC EFFICIENCY

OW160115 Beijing XINHUA Domestic Service in Chinese 1153 GMT 13 Apr 85

[By reporter Zhang Jinsheng]

[Text] Beijing, 13 Apr (XINHUA) -- Lu Dong, minister in charge of the State Economic Commission, said at a meeting of the Economic Commission offices on production today: The second quarter is a golden season for industrial production and communications tasks. All localities and departments should seize the opportunity. In the course of organizing production tasks, they must adhere to a principle of seeking truth from facts and making steady progress, take the improvement of economic efficiency as the starting point and objective of their work, and bring about sound, steady, and coordinated economic development in our country.

After analyzing the first quarter's industrial production and communications tasks, Lu Dong pointed out: We oppose undue emphasis on high speed. We should stress our work on improving economic efficiency in the course of production, and try to improve the quality of products, increase their variety, lower consumption of raw materials, and turn losses into profits. We must first reduce losses by making multiple use of materials and lowering raw-material consumption and product cost. At the same time, we must actively adopt effective measures to improve product quality. In particular, old industrial bases, old enterprises, and manufacturers of famous-brand products should treasure their reputation and strive to ensure good quality.

Lu Dong emphasized: On the one hand, we should invigorate the economy. On the other hand, we should improve the management of macroeconomic activities, strictly control overall demand and investment, carefully prevent major economic activities from getting out of control, and do well in coordination, balancing, and regulation work. For this reason, we should persistently do a good job in ensuring balance between state credit receipts and payments, balance in foreign exchange, financial balance, and balance between material supply and demand. We should resolutely implement the measures decided by the central authorities to control currency in circulation, exercise strict control of consumption funds to prevent their unchecked increase, and improve the management of wages. We should formulate credit plans and banking policies in a unified way and keep the total amount of credit and money in circulation under strict control. We should strictly control the size of investment in fixed assets, particularly the extra-budgetary investment. We should resolutely reduce administrative expenditures and institutional purchases. In addition, while improving the management of macroeconomic activities, we should continue to invigorate enterprises, and in particular, give added vigor to large and medium-sized enterprises. After taking the second step in substituting tax payment for profit delivery, we should implement the system of enterprise economic responsibility, characterized by economic contracts within factories.

Lu Dong also pointed out the necessity of paying attention to the following work while arranging the production tasks for the second quarter: We should strive to increase exports, earn more foreign exchange, and ensure the completion of export and foreign exchange-earning tasks by every possible means. We should give high priority to arranging raw and processed materials; auxiliary materials; fuel, power and transportation for export goods; and to the technological transformation of the enterprises that produce export goods. We should promote technical progress and shift production onto a basis of new technology. At present, we should pay attention to using imported technologies to accelerate the process of becoming capable of building everything in China. We should provide correct guidance for the development of village and town enterprises, encourage them to energetically develop tertiary industry, promote cooperation between the village and town enterprises and the large and medium-sized major enterprises, and thus prevent unwarranted losses caused by blind development. We should continue to pay attention to energy sources, transportation, and the production of basic raw and processed materials. We should step up the rebuilding and expansion of railroads, highways, harbors, and other facilities, and strive to complete the rebuilding and expansion projects ahead of schedule to ease the strained transportation situation. We should strive to increase the production of marketable light industrial products. In the use of foreign exchange and credit loans, we should adhere to a principle of giving higher priority to production than to capital construction, and support in a selective way the production of famous-brand commodities and commodities in short supply.

OFFICIAL ON RURAL REFORM, POSSIBLE INCOME TAX

HK160719 Beijing CHINA DAILY in English 16 Apr 85 p 1

[By staff reporter Huang Qing]

[Text] Shanghai -- China's rural reforms will not create a division between rich and poor in the countryside, a leading agricultural figure has claimed.

Du Rengsheng, director of the Rural Policy Research Department under the Secretariat of the CPC also said that the State is considering introducing income tax to help handle the increasingly complex economic situation.

The income tax proposal was made at a session of the National People's Congress and the matter is before the Ministry of Finance, according to Du. The nation's rural reforms have not created as many 10,000 yuan a year earners as the press had predicted, Du said at an agricultural seminar here at the weekend. But a group of American veteran journalists heard at the end of their China Revisited programme that the reforms had enabled the country to harvest 407 million tons of grain last year.

It is unlikely that a lot of people will become very rich in China because public ownership of production will be maintained and prosperous farmers will be guided into socialist co-operatives, Du said.

There can be many different forms of co-operatives such as local or trade co-operatives and those that handle sales or are responsible for handling production. The role of each household is important in the socialist cooperatives, said Du.

"The family has always had influence in China. We do not have the tradition of the manorial economy as Europe does" Du said. "We wish to improve the cooperatives system on the basis of family management. We will preserve the tradition of the family as a work unit."

Du added that even if 70 per cent of today's farmers give up agriculture, the remaining 30 per cent would be sufficient and form a larger rural population than the United States or any other Western country. He dismissed speculation that reforms will result in no one wanting to work in the fields.

Du agreed that since the responsibility system was introduced in the countryside, surplus labour has increased and more farmers are switching to other work such as township enterprises, transportation and service trades. But he made it clear that there would be measures to ensure a profitable price for farm products.

Steps have been taken to encourage the surplus labour force to stay in the countryside and develop industry and the service trades because big cities like Shanghai cannot absorb more people. Finally, he said he hoped the reforms would eventually remove the gap between cities and the countryside and bring about uniform development.

ARTICLE PRAISES REPORT ON FRONTLINE TROOPS

HK160855 Beijing GUANGMING RIBAO in Chinese 5 Apr 85 p 1

["Letters Praising the Report 'What Is Said by Patriotic Men' as 'An Honest Answer Paper of Armymen of the 1980's'"; reprint of a report from [undated] JIEFANGJUN BAO]

[Text] Since the publication of the report: "What Is Said by Patriotic Men," there has been an immediate response from inside and outside the Army. There have been more than 140 letters praising the report as "an honest answer paper of armymen of the 1980's," "a strong voice of the era," and "teaching material on patriotism." Since the publication of the report, many Army units have begun the activities of "learning from the comrades-in-arms on the front and developing the spirit of devotion." Now the idea, "work for the ideals without caring about the losses; suffer losses for the happiness of a billion people" has become the new motivation in the work, study, and life of the broad masses of commanders and soldiers.

The letter from Wu Xiufeng and 10 other soldiers who have extended their service in the 3d Company of Unit 83424 says: "Work for ideals without caring about the losses; suffer losses for the happiness of a billion people" are the sincere remarks of the comrades-in-arms at the front which have deeply touched our hearts, embarrassed us, and also encouraged us to advance forward. For a time, the idea that "joining the Army will mean suffering losses" prevailed in the minds of some commanders and soldiers. Can we say that the veteran soldiers who have extended their service in the Army have no such ideas? In the rural areas, peasants can become rich and even become 10,000-yuan households; in the cities, people can become rich through various channels and even receive large rewards. How about us "soldiers" who earn a subsidy of a little more than 10 yuan per month? We have no woolen suits, nor small warm families. Some of us even have no suitable fiancée when we are 25 years old..... The so many "have no's" are just like many heavy "crosses" to bear. Because we always calculate our "losses," we have not put our full efforts into our work, and always think about "taking off our armor and returning to our native places as soon as possible." It is the comrades-in-arms fighting at the front who have really made us understand the happiness and value of the revolutionary soldiers. People often say: "The motherland is our mother," and "serving the people heart and soul is our fundamental purpose." This should not be empty talk. Even the people in ancient times knew that they should "be concerned about the affairs of the state first and enjoy comfort after others." How can we revolutionary armymen of the 1980's not make due sacrifices for the safety and well-being of our "mother" with the spirit of "selfless devotion"?

The letter from Li Chunming, the staff officer of the Shenyang Armed Police Unit says: I immediately memorized the two passages: "Work for the ideals without caring about the losses; suffer losses for the happiness of a billion people." When I returned home, I read the two passages to my children, who are students. They copied the two passages in their notebooks at once. If all our party members and comrades can think of the soldiers fighting at the front and the martyrs who have shed their blood and sacrificed their lives for the country, then do we still have any difficulties which cannot be overcome? Do we still have any personal interests which cannot be discarded? Do we still have any malpractices which cannot be checked? The report "What Is Said by Patriotic Men" is very good teaching material at present in carrying out the party rectification and the education on patriotism, revolutionary heroism, and communism.

The letter from Huang Jiaan, the manager of the electrical machinery and light chemical industry company of Xinyang City, Henan Province says: This article made me think of Comrade Wei Wei's masterpiece "Who Are the Most Lovely People," which I read in the 1950's. "Who Are the Most Lovely People" was once a monument in the hearts of a billion Chinese people and encouraged the broad masses of people to work hard and throw themselves into social reform at that time. Now more than 30 years have passed, people's concepts have been renewed, lifestyles have changed, people's attitudes toward life, their aims and hopes have become varied. How are the armymen of the 1980's inheriting and developing the old revolutionaries' spirit of devotion. What are their attitudes toward present life? What are their attitudes toward happiness, life, and value? The report "What Is Said by Patriotic Men" is the most honest answer paper of the contemporary armymen. The value of the answer paper lies in the two passages: "Work for the ideals without caring about the losses; suffer losses for the happiness of a billion people."

Yian Chunyou, a student of the 3d unit of the PLA Institute of Politics, says in his letter: The comrades fighting at the front not only live a hard life, but also may be killed at any moment. Comrade Huang Dengping has been wounded twice in battle. Once, an enemy antitank grenade exploded some 7 or 8 meters away from him. He is really a "lucky survivor."

It is quite commendable that these "lucky survivors" have not been sitting idle revelling in their achievements and contributions. Instead, they have felt deeply that the price of their "lucky survival" has been the "blood and lives of comrades-in-arms." So they are determined to "pay the price with their own lifelong efforts." Can we not say that the citizens of the 1980's should handle human relations, work selflessly, and devote all their lives to the construction of the four modernizations with the theory, enthusiasm, and motive force of this concept of "indebtedness"?

The letter from Yu Ping, member of the Political Department of Unit 54256 says: I took part in the self-defense counterattack against Vietnam in 1979 and won a third class merit citation. Since then, I have won third class merit citations 6 years running. But I began to think differently along with the increase in my honors. At the end of last year, I went back to my native place. I saw many comrades' families had become either "specialized households" or "10,000-yuan households". I admired them from the bottom of my heart. Compared with them, I felt that I had suffered losses by joining the Army. While I was undergoing acute ideological struggle, JIEFANGJUN BAO published the article "What Is Said by Patriotic Men." The article had a great impact on me. After reading about Huang Dengping, I felt that it is worthwhile to suffer losses if a peaceful environment can be maintained for the people of our motherland to carry out the construction of the four modernizations.

Commentator's Article

HK160859 Beijing GUANGMING RIBAO in Chinese 5 Apr 85 p 1

[Article by JIEFANGJUN BAO commentator: "Second Discussion on 'Suffer Losses for the Happiness of a Billion People'"]

[Text] It is not surprising that the report "What Is Said by Patriotic Men" has struck a sympathetic chord among the broad masses of readers both inside and outside the Army. The two passages: "Work for ideals without caring about losses; suffer losses for the happiness of a billion people," which spread far and wide at the Yunnan front, have immediately become the pet phrases of the broad masses of the people. This fact has once again proved the truth: justice can disperse evil. People yearn for the true, the good, and the beautiful, and hate the false, the bad, and the ugly.

The two passages are "the heroic men's verses" which have evolved from the Execution Song of Xiaminghan [a revolutionary martyr]. Why do they have such a strong appeal? After careful study, we will find that the two verses embody the great revolutionary values and the lofty spirit of devotion, as well as profound philosophical theory.

Suffering losses and gaining extra advantage are common questions in the lives of the people. How should we deal with the various practical questions in our lives? We must consider this question carefully. People with different world outlooks, different attitudes toward happiness, and different values will certainly have different attitudes and methods. There is a demarcation line in principle and a moral standard involved in the way to look at personal gains and losses and in the way to deal with the relation between personal interests and collective interest, the relation between current interests and long-term interests, and the relation between local interests and overall interests. Strictly speaking, the principle and the standard are not profound theoretical questions, but practical questions. They are more questions of action than questions of cognition. One's personal interests must be subordinated to the people's interests.

When needed, one should sacrifice one's personal interests (including one's own precious life) for the majestic cause of communism. It is easy to say this, but it is not so easy to personally practice this.

Advocating the spirit of "suffering losses" and the willingness to suffer losses for the people is not only a socialist virtue, but also the spiritual force for the construction of the four modernizations. It is absolutely not the "ultra-leftist" trend of thought. What we should pay attention to is that some people try to peddle individualism under the pretext of preventing the "leftist" trend of thought. It is generally disgusting to be "a giant in words, but a dwarf in deeds." Comrade Hu Yaobang once wrote a few words to encourage the Shenyang units: "Be a soldier who can suffer losses; suffer losses for the people all our lives." Let us practice this simple but great truth!

JOURNAL ON PRC'S FOREIGN CAPITAL COOPERATION

HK050620 Guangzhou GUANGZHOU YANJIU in Chinese No 1, 1985 pp 34-38

[Article by Bo Tao of the Finance Research Office of the Head Office of the People's Bank of China: "On 'Northward' and 'Southward' Strategy -- Initial Probing on Developing China's Capital Cooperation With Foreign Countries" -- first paragraph is GUANGZHOU YANJIU introduction]

[Text] The article says that China's strategy on foreign capital should be changed from "utilizing foreign capital" to developing all-round capital cooperation with foreign countries. The author has summarized this strategic guiding ideology as a "northward strategy" and a "southward strategy." The "northward strategy" refers to boldly opening China's domestic market to attract foreign capital to north China; while the "southward strategy" means stabilizing China's economic and trade relations in the Pacific region, giving impetus to the economic cooperation between China, and the United States, Japan, and ASEAN in the Pacific rim areas and building a buffer zone for China's national economy. In addition, the decision-making power of Shanghai (or including Guangzhou) should be enormously extended so that it can become an international credit and financial control center for mainland China. The core of the two strategies lies in correctly understanding the significance of participating in the new system of international division of labor and international economic cooperation for China's economic development so that a new structure of China's capital cooperation with foreign countries will be gradually established through various directions, channels, and levels with less intermediate links. The construction of the special economic zones and the coastal cities opened to the outside should be approached from a high strategic plane, should be brought into line with the comprehensive scope of building the Pacific economic region, and should become forceful measures for establishing a fine international economic environment in China.

Under the guidance of the open-door policy, China has achieved some progress in importing foreign investment. However, we must be aware that foreign businessmen are still uncertain about China's market and they hold that a fine investment environment has not yet taken shape in China. Although we have adopted a series of measures, such as strengthening the work of economic legislation and so on, these are merely technical measures. In order to make a fundamental breakthrough in China's capital cooperation with foreign countries, it is necessary to restudy the strategic guiding ideology for the work of importing foreign investment.

After the world war, the development of internationalized capital became a striking phenomenon in the international economic field.

The development of internationalized capital has led to a major difference between the traditional export of capital and the international flow of modern capital. The mutual penetration and interaction of all sorts of capital are further intensifying, thus creating the basic conditions for the development of the world's economy as a whole. Now most countries have participated in the economic cooperation of a certain region in one form or the other, which has consequently led to the regionalization of the world's commodity markets and the decentralization of the international capital markets. At present only a few countries, including China, are excluded from economic cooperation carried out within a certain region. Only by admitting that the development of the economy as a whole is the basic trend of current international economic development can we fundamentally transform China's secluded economic system and can we place China's economy on an appropriate position in the international economy. Only by participating in the new system of international division of labor and international economic cooperation can China unclog the channels for importing foreign capital and can we create a new situation in China's capital cooperation with foreign countries. For this reason, we hold that China's basic stand on foreign capital should change from the current strategy of "utilizing foreign capital" to the strategic level of developing all-round capital cooperation with foreign countries. Therefore, we must effect a change in the following two basic strategies.

The northward strategy: Further emancipate our minds, boldly open China's domestic market to the outside with the support of the key economic cities, attract foreign capital to north China, establish extensive regions for importing and assimilating foreign investment, and accelerate the technical transformation and upgrading of the existing enterprises and the exploitation and construction of the basic industrial departments of the national economy.

It should first be pointed out that the construction of the special zones represented by Shenzhen has played and will continue to play a positive role in accumulating management experience over foreign capital and in stabilizing economic relations with Hong Kong and Macao. However, the pattern adopted by the special zones in importing foreign capital should not serve as the main pattern of our country. Generally speaking, the pattern of the special zones cannot suit the demands of the basic investment strategy of the multinational corporations externally and cannot meet the basic needs of China's national economic construction internally.

The current world multinational corporations can be divided into three big categories, namely, the American type, the West European type, and the Japanese type. The investment strategies of these multinational corporations can also be divided into the following three categories: natural resources guiding type, market guiding type, and production transfer type. The multinational corporations adopting the former two types of investment strategy account for over 80 percent of the total. Due to various reasons, the proportion of the production-transfer type of multinational corporations in Southeast Asia is greater than in other parts of the world. If viewed from the multinational production system and the integration of capital and technology, the multinational corporations of the natural-resources guiding type rank first, those of the market-guiding type rank second, and those of the production-transfer type rank third. China's national economic construction has the following three basic demands for foreign capital: first, importing foreign capital to alleviate the contradiction in the shortage of construction funds and accumulation in China; second, importing advanced technology to improve the technical structure of China's national economy; and third, accelerating the exploitation of China's natural resources and the construction of the basic departments of the national economy.

It is quite obvious that the pattern adopted by the special zones in importing foreign capital cannot satisfy the basic needs of supply and demand for international capital. The essential condition for the "special characteristic" of the special zone is that it has set a "barrier" to the domestic market. Due to the erection of this "barrier," the special zone has become a secluded market to the interior. Since the capacity of the special zone is extremely limited, it fails to attract investment from the two important types of multinational corporations (natural-resources guiding type and market-guiding type), but can only suit the needs of the production-transfer type multinational corporations. This is precisely the characteristic of the industrial distribution and technical structure of the exclusively foreign-invested enterprises in China's special zones.

Viewed from the demands of modern multinational corporations on the market, the capacity of the market is primary, while taxation is only secondary. This is because the multinational corporations can evade taxation by internally readjusting prices. The development of the multinational corporations on a worldwide scope at present has fully proved the relationship between international trade and international investment, which can replace each other. If we cannot understand this basic relationship, it will be impossible to adopt a correct strategy for importing foreign capital. Both the natural-resources exploitation type and market-guiding type multinational corporations have a basic demand on market capacity so that they can ensure the attainment of better economic results from their operations and management. If we cannot offer them a domestic market with a considerable capacity, we will fail, in basic conditions, to attract many of the multinational corporations, particularly the large and medium-size multinational corporations.

Modern multinational corporations have certain demands on the quality of facilities and the labor force in the investment markets. The better the quality of the investment market, the more it will attract the multinational corporations which have advanced technology and abundant funds. In a modern economy, manpower is no longer tantamount to labor force. Viewed from the quality of the facilities and labor force of the investment market, the special zones are less attractive than the interior. The investment costs of the multinational corporations for market facilities and labor force training in the factories established in the designated special zone is generally higher than the relatively developed regions. In order to ensure investment returns, the multinational corporations which have entered such new exploitation areas are usually the production-transfer type or commercial-service type multinational enterprises which do not have excessive demands on market conditions.

Owing to such limitations of the market conditions in the special zones, most of the international capital is hesitating in Hong Kong and Macao, looking forward to the north and waiting for the opportune moment to gain entrance into China's domestic market.

Shortage of funds and a backward technology are the difficulties China is facing in its construction. Backward technology has further intensified the shortage of construction funds. This is because for many years in the past China's capital construction meant duplication of existing enterprises based on the existing technical levels, which led to a decline in investment returns. This is indicated in the extension of the capital construction cycle and the increase of capital construction charges in per unit output. In order to put an end to the declining stage of investment returns in capital construction, making supplementary investment was the measure taken for many years in the past. Consequently, this hindered the capital turnover of enterprises already put into production. Moreover, these enterprises did not have sufficient financial resources to carry out technical transformation and to upgrade themselves. It is quite obvious that following such a pattern is by no means a benign cycle.

By drawing direct investment from foreign countries into the basic sectors of China's national economy, we can put an end to this vicious cycle and kill two birds with one stone. The main reason for the tremendous successes achieved in China's First 5-Year Plan was that foreign capital participated in the construction of China's basic facilities on a large scale. In order to draw the direct investment from foreign countries into the basic sectors of China's economy, improve the technical level of capital construction, save construction funds, and accelerate the technical transformation of the existing enterprises, we can take into account the following: Boldly selling part of part of our natural resources and market capacity to foreign investors and letting the exclusively foreign-invested enterprises have an impact on the national industry. Only by adopting such measures can we make China's markets more attractive to the natural-resources guiding type and market-guiding type multinational corporations and can we possess a number of large-scale technologically advanced enterprises which are built with huge amounts of foreign capital in the appropriate parts of the country. In this way we can transform the irrational distribution of China's coastal and inland industry and create a new situation on China's capital construction front.

Only by drawing foreign capital into China's domestic market can we genuinely establish a system for assimilating advanced foreign technology. In the course of importing foreign capital, the developing countries have encountered a common problem, that is, only by importing foreign capital from the natural-resources guiding type or market-guiding type multinational corporations could they obtain a sufficient amount of foreign investment and advanced technology. However, this would lead to serious debt problems. At present the Latin American countries are suffering from such problems. If foreign capital is imported from the production-transfer multinational corporations, although the serious problems of debt can be avoided, the scale of investment and technological level would be limited. This is the case in Southeast Asian countries. The only way to tide over the difficult problem is to establish and perfect an advanced system for assimilating advanced foreign technology and accelerate the technical cycle of using exports to support imports. The main reason why Japan has achieved remarkable successes in utilizing foreign capital to revive its economy is that it established a system for assimilating advanced foreign technology. According to Japanese economists, the criterion of assimilating advanced foreign technology is not duplicating the imported products, but making inferences by analogy and making the similar product technologically competitive for export. One of the serious problems in the construction of the special zones is the shortage of technical personnel. If such a problem occurs in one or several special zones, we can encourage the mobility of talented people to alleviate the situation. However, this method cannot be used to solve the problem of technological assimilation in importing foreign investment on a large scale. We hold that the only way out is to take China's current production distribution into account, draw large amounts of foreign investment into the technologically developed areas, and rely on the scientific and technological forces of the key economic cities or industrial centers to assimilate the advanced foreign technology on the spot. Generally speaking, drawing foreign capital into the relatively developed areas instead of the underdeveloped areas is advantageous to the establishment of the system for assimilating advanced foreign technology. In addition, the starting point of technological progress can be directly upgraded.

The above-mentioned are the main points of the northward strategy in developing China's capital cooperation with foreign countries. We hold that the tendency of direct foreign investment toward the peripheral areas and departments of China's economy should be shifted to China's economic centers and key departments.

Only by improving China's investment environment under the guidance of such an objective can we fundamentally transform the state of "importing" but not properly using foreign capital, solve the problem of some inferior foreign technology, and organically combine the import of foreign capital with that of technology and the utilization of foreign investment with technological progress.

The southward strategy: Stabilize China's economic and trade relations in the Pacific region, give impetus to economic cooperation between China, the United States, Japan, and the ASEAN in the Pacific rim region, and build a buffer zone for China's national economy. The prerequisite for participating in regional economic cooperation is to enormously extend the decision-making power of Shanghai (or including Guangzhou) and accelerate the pace of its urban reform so that it can restore as quickly as possible its status as an international financial center in Asia and become an international credit and financial control center in mainland China.

In order to maintain steady development in China's capital cooperation with foreign countries for a long time to come, we must regard developing regional economic cooperation as our basic national policy. At present the mutual economic relations between the majority of countries (all the developed countries) have shifted from the traditional relations of commodity trade to participating in the economic cooperation of a certain region. This has enabled their national economies to support and complement each other and maintain common stability. Due to various internal and external reasons, it has been rather difficult for China to participate in some "close" forms of regional cooperation. The subject of the gradual transition of China's national economic system toward the system of regional economic cooperation should be included in the open-door policy.

Now the focus of the world's economy is shifting toward the Pacific region. The beginning of the Pacific economic era will create a favorable external environment for China's economic development. Speeding up the formation of the Pacific economy should be one of our basic starting points in developing China's capital cooperation with foreign countries.

By observing the world economic situation, we can find three zones which are highly influential in the world's economy at present: 1) the world's industrial zone situated between 25 and 65 degrees north latitude; 2) the zone of coastal financial centers situated between 30 and 55 degrees north latitude; and 3) the zone of offshore financial centers situated between 0 and 35 degrees north latitude. The former two zones have formed into a partition in China, which shows that China is the weakest link in the Pacific economic region. Now the main economic groups of the Pacific rim economic region basically possess the financial conditions for participating in economic cooperation in the region. In the United States Los Angeles and San Francisco have already become the two main financial centers on the West Coast, of which Los Angeles is the most important U.S. international banking center in the Pacific region. Japan has decided to open the Tokyo financial markets to the outside so as to lay conditions for further enhancing its economic cooperation in Asia. With Singapore as the center, the five countries in Southeast Asia have the Asian U.S. dollar market and the convenience of the combined ASEAN organization.

China relied excessively on Hong Kong for a long time in the past and regarded it as the main window for China's external finance work, which inevitably resulted in the self-seclusion policy. Such a pattern in our external finance work has struck root in the people's minds so that they dare not think of building an international financial center on mainland China and establishing China's independent external finance system. As a matter of fact, Shanghai and Guangzhou have brighter prospects than Hong Kong for being international financial centers.

Moreover, Shanghai and Guangzhou's economic connection with the interior is closer than that with Hong Kong, and their economic strength is superior than that of Hong Kong. China's relations with the international financial markets via Hong Kong can no longer satisfy the developing needs of China's external economy. Such a pattern narrows the circulation channel of funds. In addition, the fluctuations of the Hong Kong dollar may also directly affect China's international transactions.

Speeding up the building of the Shanghai and Guangzhou international financial centers is an important measure in pushing China's economy toward economic cooperation in the Pacific rim region. To this end, we propose the further emancipation of minds and giving greater power to Shanghai and Guangzhou's economic reform so that Shanghai and Guangzhou's economic markets can vigorously develop and that China's international trade and international financial businesses will be concentrated in Shanghai and Guangzhou in a planned manner, thus giving impetus to the development of Shanghai and Guangzhou, which will serve as the trading and financial centers in China and Asia. Meanwhile, the reform of China's current foreign exchange system which is monopolized by China's banks has created conditions for the main departments, production enterprises, and financial organizations to directly participate in international credit activities. Only by establishing our external financial system through various channels and levels can we gradually attract some of the international financial businesses to the financial centers in mainland China and can we gradually acquire the international financial position of Shanghai, Guangzhou, and the key cities along the coast.

By establishing international financial centers on mainland China, we can have an equal international financial position in participating in economic cooperation in the Pacific rim region. Moreover, the establishment of the economic system in the Pacific region will bring about enormous benefits to the development of China's international trade, exchange of international technology, and stability of the external environment as well as create a new situation in the work of utilizing foreign investment. On the basis of stabilizing trade relations with economic groups including the United States, Japan, and ASEAN, China can establish mechanisms for settling international accounts with its trade partners (including multilateral and bilateral mechanisms for settling accounts), thus saving a considerable amount of foreign exchange for China's domestic construction. The five countries of ASEAN can save around U.S. \$500 million every year by settling their accounts. It is quite obvious that the results will be more remarkable if China can establish its mechanisms for settling international accounts in the Pacific rim region.

In addition, the establishment of international financial centers in mainland China will be favorable to the improvement of China's international investment environment. The direct investment made by a multinational corporation abroad is fixed assets, while the normal operation of its organizations abroad require the corresponding financial organizations to handle and adjust its floating capital. The main reason why China's domestic market cannot attract large amounts of foreign investment at present is that we do not have the international financial market to handle and manage the floating capital. Therefore, the vigorous development of the international financial market business centered on Shanghai and Guangzhou will help improve China's investment environment and make China's market more attractive to international investment.

In light of the above views, we hold that the economic construction of the special zones and coastal cities should be brought into the scope of the Pacific economic construction. China is now the weakest link in the forming of the Pacific rim economic region.

Judged from a certain point of view, the developing process and pattern of China's economy, the coastal economy in particular, will directly affect the formation of the Pacific economic region, while the formation of the system of economic cooperation in the Pacific zone will directly determine whether China can acquire a favorable international economic environment. Therefore, the construction of the special zones and coastal cities should become a forceful measure for promoting and building a fine international economic environment in China.

To sum up, the core of the two strategies for developing China's capital cooperation with foreign countries lies in correctly understanding the significance of participating in the new system of international division of labor and economic cooperation in the development of China's economy. A new structure of China's external financial system should be gradually established through various directions, channels, and levels with fewer intermediate links so that China can acquire enormous impetus for its economic takeoff by carrying out capital cooperation with other countries.

ZHANG TINGFA ON IMPROVING POLITICAL WORK

HK160644 Beijing RENMIN RIBAO in Chinese 12 Apr 85 p 5

[Article by Zhang Tingfa: "Further Strengthen and Improve Political Work in the New Period" -- capitalized passages published in boldface]

[Text] Comrade Hu Yaobang has pointed out: At present, when all work throughout the country is undergoing reform, why should not ideological and political work, in particular among the young people, be improved in many ways?

If political work is to suit the needs of the new situation and tasks, it is necessary to further eliminate "leftist" influences, to break away from conventional thinking, and to make improvements in the following respects.

IN POLITICAL WORK, WE MUST FURTHER ELIMINATE THE INFLUENCES OF "PUTTING POLITICS IN COMMAND" AND BRING INTO PLAY THE ROLE OF "SERVICE" AND "GUARANTEEING." The decision of the CPC Central Committee on reform of the economic structure points out: "In ideological and organizational work in the new historical period, we must firmly carry out the party's guiding principle that such work should help fulfill the general task and reach the general goal proposed by the party and be closely linked with economic construction and reform of the economic structure." This has explicitly pointed out the correct orientation for reform of political work in the new period. In the past political work was carried out under the erroneous principle of "taking class struggle as the key link," and was greatly affected by "putting politics in command." Political work was elevated to a position "higher than everything," "mightier than everything," and "pounding at everything," while "everything must give way to it." Since the 3d Plenary Session of the 11th CPC Central Committee, such absurdities as "putting politics in command" have been negated, and the situation has undergone a great change. However, the influences in this respect have not been completely eliminated. Some political cadres do not like and are not used to the role of "service" and "guaranteeing," believing that by so doing, political work will become something unnecessary and aimless. They worry that if "putting politics in command" is not mentioned and the "leading role" of political work not emphasized, the position and role of political work will be lowered and the prestige of political organs and cadres will be affected.

Are we lowering the status of political work, weakening its role, and reducing its responsibilities when we talk about the role of "service" and "guaranteeing"?

No. This is precisely where the glorious duties and vitality of political work lie, and is precisely a scientific explanation of the important place and role of political work. Political work belongs to the realm of the superstructure, and it is determined by the economic base, which it serves, according to the basic tenets of Marxism. Its place and role are independent of men's will, and is determined by the nature and laws of its own. At the same time, political work is a component part of the party's work, and the tasks of the party and Army are those of political work. Apart from this, political work has no independent task of its own. In the new historical period the core of the party's general task is to develop the productive forces, to build the "two civilizations," and to realize the four modernizations. This is the most important of all politics. Political work should certainly serve this central task, and one should not feel degraded at the mention of "service." The basic purpose of the party and Army is to serve the people heart and soul. This also means to serve the prosperity of the country and the people. Such "service" has never lowered the position and role of the party and Army. If, deviating from economic and military work and all professional work, we should raise the position of political work still higher and stress its important role at a still higher key, it would still be impractical empty talk. It is also necessary to see that all reforms of the economic structure under way will inevitably involve people's personal interests and touch their ideology, life and habits. During this period of reform, it is all the more necessary for us to unify and raise the level of ideological understanding of the masses, to continuously eliminate "leftist" influences, and to overcome conventional forces of habit through meticulous ideological and political work in order to turn the party's line, principles and policies into the conscientious actions of the masses. All this has set forth higher requirements for political work and greater responsibilities for political cadres. Every comrade must ideologically put political work in the right position and bring into play the role of "service" and "guaranteeing."

IT IS NECESSARY TO FURTHER ELIMINATE THE INFLUENCES OF THE "PHILOSOPHY OF STRUGGLE" IN POLITICAL WORK AND TO ATTACH ATTENTION TO DISCOVERING AND BRINGING INTO PLAY THE POSITIVE FACTORS OF MEN. The object of ideological and political work is men, and its work is among men. Only when we show concern for the people, care for them, and are good at discovering the merits and strong points of the object of our work will we be able to bring into full play their initiative to realize the general task and goal of the party in their struggle. In ideological and political work, it is necessary to use the weapon of criticism and self-criticism in solving our internal problems; and we must be bold at criticizing and correcting those phenomena of violating discipline. However, resulting from the influences of the "philosophy of struggle" in the past, active ideological struggle was overused and ideological and political work placed on par with ideological struggle. Some comrades lacked deep feelings for the masses and failed to treat others on an equal footing. Regarding some ideological problems among them, instead of taking enlightenment and guidance as the principal means, they put on a long face, always found fault with them and suppressed them, thus making political work lose its warmth and cordiality. Others see more of the negative side of the object of their work but less of the positive side. They lay particular stress on grasping problems and revealing shortcomings, make a habit out of meting out penalties, and erroneously regard this as the militant nature and the principle of political work. Still others regard ideological problems as political problems, practical problems as ideological ones, and take different habits, interests, and hobbies as a bourgeois ideological style. All this is an important aspect which needs improvement in political work in the new historical period.

The active ideological struggle we advocate is different from the "philosophy of struggle" in essence. Their objectives are different, and so are their means. With reference to the former, we abide by the principle of "learning from past mistakes to avoid future ones, and curing the sickness to save the patient," and use the weapon of criticism and self-criticism in the manner of "a gentle breeze and a mild rain" to solve internal problems. The purpose of the latter is to attack others and to go in for "cruel struggle and relentless attack." Historical experience tells us that active ideological struggle must be persisted in, while the entire practice based on the "philosophy of struggle" must be repudiated.

If political work is to thoroughly eliminate the effects of the "philosophy of struggle," it is necessary to persist in the principle of enlightenment and guidance and to regard the concern and care for people as the best political work, which must be carried out with great efforts. Generally speaking, our cadres, soldiers, and younger generation are eager to make progress and yearn to become qualified people. It is not strange that they have shortcomings and mistakes, but the crucial point is being good at discovering their merits and strong points. Our work is to encourage them and to kindle the sparks of ideals in their minds. When problems arise, it is necessary for us to adopt a correct method and enthusiastically help and educate them to overcome and correct their mistakes. Even if necessary penalties are involved, it should be explained with good reasons, and should not be done in an oversimplified way. The practice of paying attention to grasping negative factors only, attacking others, and carrying out struggle arbitrarily will only depress people, dampen their confidence in making progress, and will even lead to intensifying contradictions. Political cadres should show respect for the masses, keep close contact with them, unfold work in line with their characteristics, pay attention to bringing into play their internal motive force, and become their good teachers and helpful friends.

POLITICAL WORK SHOULD LINK THE SOLUTION OF IDEOLOGICAL PROBLEMS WITH THAT OF PRACTICAL PROBLEM, AND NEITHER SHOULD BE OVEREMPHASIZED AT THE EXPENSE OF THE OTHER. Comrade Deng Xiaoping has pointed out: "Revolutionary spirit is very precious, without which there will be no revolutionary action. However, revolution comes into existence on the basis of material interests; if we only talk about the spirit of sacrificing without mentioning material interests, that will be idealism." That is a brilliant exposition on the dialectical relationship between ideological education and material encouragement; they cannot be mutually substituted, nor can they be separated from each other. We should not go in for the "omnipotence of spirit" as advocated by Lin Biao and the "gang of four," and neither should we neglect the role of ideological education. This is a principle our political work must abide by. Ideological and political work will efficiently bring into play its power only when it is linked with showing concern for and solving the practical problems of the masses. With regard to our Army, many of our troops are stationed in remote places, where the environment is difficult and living conditions are very poor. Especially when today the material and cultural life of both the urban and rural population has been considerably improved, the living standards of the families of the cadres and soldiers have gone up, and their cultural background has also risen with a higher and higher demand for material and cultural life, they have increasingly high demands for material and cultural life. If we pay no attention to improving the material and cultural life of our Army, not only will this be unfavorable to the unity and stability of our Army, but it also will not be favorable to improving the quality of our Army. Therefore, while educating our Army in bringing into play a revolutionary spirit, we should simultaneously attach importance to solving the practical problems of our cadres and soldiers, such as their study, cultural life, improvement in diet, marriage and love, and practical family problems. The material is the base, and when their living standards are improved and their cultural level is raised, their spiritual features will undergo great changes, which will efficiently raise the ideological consciousness of the cadres and soldiers and bring into play their positive factors.

Here there is a question that demands our attention, namely, even when we are eliminating the influences of the "omnipotence of spirit," we should not relax ideological and political work and should not overstress material encouragement. Ours is a large but poor country; it is economically backward and its financial resources are limited. It is impossible to solve all practical problems simultaneously. The gradual improvement of the living standards of the people and the Army must be based on the development of production. Therefore it is imperative to strengthen ideological and political work. We must advocate ideals, taking the interests of the whole situation into account, carrying out arduous struggle, building up the country through thrift and hard work, and serving the people heart and soul. We must educate the people, in particular the young generation, in correctly handling the relationship between the state, the collective, and the individual and in understanding the difficulties of the country and the Army, and that they should not ask too much for a rapid improvement in material life and refrain from comparisons, which are odious.

POLITICAL WORK MUST BE TRUTH-SEEKING AND EFFICIENT, AND THE PRACTICE OF FORMALISM AND DOING THINGS SUPERFICIALLY MUST BE FURTHER OVERCOME. Because there were frequent "political campaigns" in the past, political work usually has been carried out in the form of a "political campaign." As a result the unhealthy atmosphere of formalism, doing things in a superficial way, and holding back unpleasant information is still rampant. At present they find expression in the abundance of meetings, insignificant declarations of where one stands, documents, telegrams, bulletins, data and statistics without practical meaning, and activities of examination, appraisal through discussion, and awarding prizes. There is another phenomenon, namely, the practice of rushing headlong into mass action in some matters. Engaging in formalism and doing things superficially have not only helped the growth of bureaucratism, wasted much time, efforts, and material power, but has created confusion in the work of grass-roots units. Why should such a bad style remain active despite repeated prohibitions? If we dig into its causes, one reason is that some political cadres have followed the beaten path and are used to past practices. Another reason is the lack of a down-to-earth work style and fear of arduous and meticulous work. In addition a small number of comrades are not pure in their party spirit. They fish for fame and compliments, and they have placed their responsibility to the leading organs against their responsibility to the people. That is another important reason accounting for it. Persisting in seeking truth from facts and proceeding from the actual conditions in everything is the most fundamental method of thinking and work. Like economic work, political work also involves the question of results. We should lay stress on doing practical things and practical effects. Work should be done item by item in a down-to-earth way with good results, and more efforts should be exerted to solve difficulties for the grass-roots units so as to save them trouble. In checking every item of work, the most important is its effects, and there should not be any rigid demand for a uniform schedule, methods and measures. The habit of creating an atmosphere, rushing headlong into mass action, making a terrific din, issuing only general calls but doing no practical work, and summing up experiences in a hurry when work arrangements have just been made, all this is formalism and doing things in a superficial way. Political organs and leading cadres at all levels must first refrain from doing so and stop those below them from doing so. Political work must be conducted scientifically. Stress must be laid on the responsibility of every level.

The handicraft-style management of taking on everything, rigid unification, and elaborate control must undergo changes. Work of a mandatory nature must be somewhat reduced, while that of a guiding nature must be somewhat increased.

With regard to our leading comrades, to have a bit more dialectics on their minds and a bit less onesideness is an important aspect in guarding against the practice of formalism and doing things superficially. Concerning the instructions of the CPC Central Committee, the State Council and the Central Military Commission, it is necessary for us to earnestly study them, to understand and propagate them in an all-round way, and to implement them resolutely. We should not go in for metaphysics, should not help in "stirring up a wind," and should not go from one extreme to the other. The same thing should apply to our work. When the situation is fine and when achievements are scored, leading cares must maintain a sober mind, and they must be able to discern hidden problems. They should acquire the spirit of blazing trails while maintaining a meticulous attitude.

NI ZHIFU AT NATIONAL WORKERS' GAMES MEETING

OW110001 Beijing XINHUA Domestic Service in Chinese 1636 GMT 9 Apr 85

[By reporter Qu Beilin]

[Excerpts] Beijing, 9 Apr (XINHUA) — The Second National Workers' Games of China will be held in Beijing in September this year.

At a preparatory committee meeting for the games, held in Beijing today, it was disclosed that Vice President Ulanhu is chairman of the Presidium of the Second National Workers' Games. Recently, he wrote an inscription for the games. The inscription reads: "Develop sports among workers and staff members; inspire revolutionary enthusiasm."

More than 6,000 athletes from 29 provinces, municipalities, and autonomous regions, and from sports associations of the three industrial Departments of Locomotive, Silver Eagle (Civil Aviation Department), and Water Conservancy and Electricity will take part in games in the nine big sports categories of soccer, basketball, volleyball, table tennis, track and field, weightlifting, swimming, highway bicycling, and martial arts exhibition. The central competition zone of the games is in Beijing.

At today's preparatory committee meeting, Liu Shi, secretary of the Secretariat of the All-China Federation of Trade Unions, said: The sponsoring of the workers' games is aimed at promoting mass sports activities among workers and staff members at the grass-roots level. According to statistics, at the end of 1981 there were about 20 million workers and staff members who regularly took part in sports activities. Now there are more than 30 million. After the games, the number of workers and staff members taking part in sports activities may reach 40 million.

Ni Zhifu, member of the Political Bureau and chairman of the preparatory committee for the Second National Workers' Games, presided over today's meeting. In his speech he said: When the First National Workers' Games was held, the athletes slept in tents and competed on simple and crude playgrounds but they made no complaints. There was not one incident of deliberately hurting people or contradicting referees at the games. This spirit should be vigorously encouraged.

Li Menghua, minister of the State Physical Culture and Sports Commission, also spoke at the meeting. Also attending today's meeting were responsible comrades of the ministries and commissions concerned, and responsible comrades of sports work in various localities. The First National Workers' Games was held in Beijing in 1955.

JIANGXI LEADER OUTLINES URBAN ECONOMIC REFORM

OW130538 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 10 Apr 85

[Text] According to instructions from a principal leading comrade of the provincial people's government, in carrying out urban economic structural reforms in our province during the second quarter, efforts should be concentrated in three areas.

First, further invigorate the enterprises. Continue to expand the enterprises' decision-making power; accelerate their technical innovations; perfect the economic contract responsibility system in the enterprises; improve management in planning, finance, production, and quotas to raise the quality of products and reduce consumption; and at the same time, improve the enterprises' distribution system so that the hardworking are rewarded and the lazy punished, thereby arousing the enthusiasm of staff members and workers and creating conditions for achieving high efficiency. The urban collective enterprises must put an end to copying the management methods of the state-run enterprises as they have done for many years, but should truly implement the system of "one contract and four reforms."

Second, the provincial level as well as the prefectural and city level companies of an administrative nature should be urgently put in order and reorganized. The job of putting these administrative companies in order should be integrated with developing lateral economic relations. The existing administrative companies should be investigated and studied one by one; and plans should be meticulously worked out to facilitate a well-arranged and step-by-step reorganization of these companies.

Third, continue to turn control over enterprises to lower level units. The provincial and prefectural enterprises should be turned over by groups to key cities or to cities where they are located. Regarding those enterprises not located in areas under the jurisdiction of any city, some of them may join the integrated economic establishments set up by the key cities, while others may be turned over to the counties.

It is necessary to integrate the task of turning over enterprises to lower level units with the reform of governmental departments. The government economic management departments should shift their work emphasis to serving the enterprises and creating good external conditions for invigorating them.

At present, it is necessary to set up and open as soon as possible markets for means of production. These markets not only can lighten the financial burden of enterprises by reducing the role of the middleman but can also prevent and stop unhealthy tendencies.

BRIEFS

FUJIAN VOCATIONAL COLLEGES -- The Fujian provincial government has approved the establishment of the Fuzhou branch of the Beijing Posts and Telecommunications College and the Nanping Vocational College. The Fuzhou branch of Beijing Posts and Telecommunications College has telecommunications engineering and posts and telecommunications management departments. The Nanping Vocational College has computer, industrial and civil construction, economics management, and Chinese secretarial departments. Currently, Fujian Province has 11 vocational colleges. Except for Ningde Prefecture, every prefecture and city has one or more vocational college. Fuzhou City has four vocational colleges. [Summary] [Fuzhou FUJIAN RIBAO in Chinese 19 Mar 85 p 1 OW]

GUANGXI MEETING DISCUSSES INDUSTRY PROBLEMS

HK140153 Nanning Guangxi Regional Service in Mandarin 1130 GMT 13 Apr 85

[Excerpts] The regional People's Government held a regionwide telephone conference in Nanning yesterday evening. Comrade Wang Rongzhen, vice chairman of the regional government, made a speech on handling current problems in industry and communications production.

He said: The region's industrial production situation in the first quarter was good. However, development is uneven. In particular, some of the policies we have formulated on invigorating the economy and the enterprises have not yet been completely implemented. Some enterprises are hesitating and watching what others do. Facing the new situation in reform, some enterprises lack ideological preparations and effective measures, with the result that their production has fallen. Output value has risen in some places and enterprises but their economic results are not good. Enterprises covered by the budget have high production costs, are using more capital, and have not fulfilled the plans for reducing deficits. Some products are not competitive enough.

Vice Chairman Wang Rongzhen demanded that in production in the second quarter leading cadres at all levels stick to reform, clear away interference, and ensure sustained economic development this year. They should stress the following tasks:

1. Persist in carrying out reform, straighten out new unhealthy trends, and correctly understand and handle the relationship between correcting unhealthy trends and persisting in reform and opening up to the outside world.
2. Take full advantage of the favorable market conditions and coal and power supplies during the second quarter to improve economic results and increase output of best-selling products.
3. In connection with the actual conditions in the region, implement as soon as possible in the enterprises the methods for the second stage of substituting tax payment for profit deliveries. Industrial enterprises and units should gradually popularize the method of linking the total wage bill to profits and taxes paid to the state. Wage system reform should be carried out in large and medium enterprises in accordance with the spirit of the State Council's Document No 2.
4. Adopt various means, methods, and channels to seriously resolve the current acute shortage of raw materials, and strive to improve the enterprises' ability to digest internally changes in the price of raw materials.
5. Leaders' efforts at all levels should be truly switched to grasping economic work. No major meetings should be held in April. Leaders at all levels should go down to conduct investigation, study, supervision, and inspection, and dissect typical examples so as to spur the whole effort. The work of enterprise consolidation must be grasped well in all prefectures, cities, and counties.

Wei Chunshu, chairman of the regional People's Government, presided at the conference. Huang Yun, deputy secretary of the regional CPC Committee, participated and made speeches.

HUBEI CHECKS 'FLOOD' OF UNHEALTHY TABLOIDS

HK120720 Wuhan CHANGJIANG RIBAO in Chinese 28 Mar 85 p 3

[Report by reporter Xu Xiangming: "Wuhan Obtains Initial Results in Straightening Out Street Corner Tabloids"]

[Text] Through concentrated efforts of consolidation in successive months, Wuhan has basically stopped the flood of unhealthy tabloids in the city.

Recently the provincial CPC Committee Propaganda Department issued a document requiring the provincewide dissemination of Wuhan's experiences in straightening out the cultural market.

In recent years, close to 100 categories of tabloids that are unhealthy in essence or that violate publication regulations have poured into Wuhan through various channels from more than 10 provinces, cities, and regions, such as Guangdong, Guangxi, Guizhou, and Henan. These tabloids have exerted an extremely bad effect on teenagers, in particular primary and secondary school pupils. Parents and teachers have repeatedly appealed for a ban on such harmful publications.

This phenomena has attracted the serious attention of the city CPC Committee and government. Since December 1984 the city Propaganda Department has called meetings on several occasions, mobilizing arrangements for straightening out the cultural market. In recent months, with the close coordination of the departments of culture, industry and commerce, and the neighborhoods, the mass examination of tabloids displayed in bookstands has been carried out on several occasions. To date more than 300,000 copies of unhealthy publications have been confiscated by the city authorities.

In order to check the flow of unhealthy tabloids into the city from other provinces, the departments concerned have concentrated their efforts on handling the cases of a handful of bookstand owners who have refused to mend their ways despite repeated admonitions. At the same time, the departments concerned have also worked hard to perfect measures to control the tabloid market and to strengthen guidance and education among individual households engaged in the retail distribution of newspapers and magazines. At present more than 400 households are licensed for distribution of newspapers and magazines in the urban areas of the city. The Cultural Section of Shengyang District has divided the 26 individual households into 8 groups, and control over them is carried out in different sectors.

However, publications with unhealthy contents have not entirely disappeared from the city. A few individual households engaged in retail newspaper distribution are still selling vulgar tabloids underground by cheating. Some unlicensed newspaper pedlers are still hawking pornographic tabloids at night or on unfrequented corners. The main cause lies in the fact that some units have not been straightened out powerfully enough, confiscation has not been done thoroughly, and those who should have been given penalties are still at large. At present the department concerned in the city is adopting further measures to strengthen consolidation and control over the cultural market.

HUBEI LEADER STRESSES ROLE OF TALENT, SCIENCE

HK130323 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 12 Apr 85

[Excerpt] Provincial CPC Committee Secretary Guan Guangfu visited the provincial gathering to exchange talented people and technology yesterday afternoon, and held a forum with responsible comrades of provincial organs and of prefectures and cities attending the gathering. Comrade Guan Guangfu stressed: Attaching great importance to talented people and science and technology and bringing their tremendous role into maximum play constitute the key to invigorating Hubei's economy. If this problem is solved well, Hubei's national economy can achieve high-speed and sustained development.

HUNAN PLA UNIT CORRECTS UNDESIRABLE IDEAS

HK130251 Changsha Hunan Provincial Service in Mandarin 2300 GMT 12 Apr 85

[Excerpts] During party rectification studies, the CPC Committee of a certain PLA unit stationed in Hunan has organized the party members to study the records of the revolutionary martyrs and establish the idea of being the first to suffer hardship and the last to enjoy comfort.

Amid the new situation of in-depth development of reform of the economic structure, some party-member cadres in the unit developed the idea that they were getting the worst of it in the Army. Seeing that those comrades who had left the Army and transferred to the localities had become rich, they felt that they were getting the worst of it every day they remained in the Army, and wanted to leave and transfer to the localities earlier than scheduled.

To help enhance everyone's understanding, establish the lofty ideal of communism, and be qualified party members, the CPC Committee organized the party members to visit the old site of the Hunan student federation and the exhibition hall of the deeds of revolutionary martyrs in Hengyang City. On the basis of visits and studies, the CPC Committee guided them to learn from the martyrs, check on themselves, and take action.

Certain younger comrades who had acquaintances assist their transfers have not given up the idea of leaving the Army early, while older comrades with rather low awareness have declared that they will emulate Lei Feng in carrying out their final duties. The mental state of the whole unit is stable, and the cadres and fighters are working with greater enthusiasm. A good momentum has appeared in all work.

HUNAN COMMENTARY ON IDEOLOGICAL, POLITICAL WORK

HK120556 Changsha Hunan Provincial Service in Mandarin 1100 GMT 11 Apr 85

[Station commentary: "Really Strengthen the Ideological and Political Work in the Course of Reforming"]

[Excerpts] Doing well in ideological and political work and closely integrating it with the four modernizations have long been stressed by the party. Many departments and units have scored good results in this respect. However, thoughts of neglecting ideological and political work still exist in some places. Thus, we must spend great efforts on correcting this thinking.

Some comrades have said: Since we are now engaged in the four modernizations and reforms, ideological and political work is no longer important. These comrades do not understand that our four modernizations are socialist, and our reforms are self-perfection of the socialist system. Proceeding from science and technology, there are of course differences in level between ours and others. But judging from the means, development, direction, and goal of modernization, ours is characterized by a distinctive political flavor. If we neglect ideological and political work and allow people to pursue only material benefits, our country will be led astray. Consequently, the four socialist modernizations and reforms will fall through, which cannot help the country become strong and prosperous and cannot bring benefits to people.

Some comrades hold that ideological and political work has lost its importance since we now use economic means to supervise the economy. This is a thinking which separates economics from politics and regards economics as conflicting with politics. In the past we neglected economic rules and used only administrative means to supervise the economy. This no doubt was an erroneous and unsuccessful method. However, when we stress economic means, we do not and cannot deny the importance of ideological and political work.

Recently, some people have arbitrarily given bonuses and payment in kind. One of the major reasons for this is because politically speaking, they neglect ideological and political work, which thus develops such thoughts as selfish departmentalism among some units and individualism among some people.

Therefore, in order to do a good job in reforms, we must of course continue to eliminate the pernicious leftist influence that ideological and political work is omnipotent. But it is also wrong and harmful if we switch from one extreme to another and advocate the thinking that economic means are omnipotent.

When we stress strengthening ideological and political work in the course of reform, we do not mean to indulge in lies, bragging, and idle talk. Instead, we should uphold the principle of giving advice. Also, we should use such methods as heart-to-heart talks, criticism, commendation, developing advanced models, implementing policies, and settling actual problems.

When we strengthen ideological and political work in the course of reform, we should do well in reforming ideological and political work itself, so that everyone will make concerted efforts in the work. Thus, we can have an important guarantee for the prospering of our undertakings.

RECTIFICATION OFFICIAL ON CURRENT HUNAN PROBLEMS

HK130249 Changsha Hunan Provincial Service in Mandarin 2300 GMT 12 Apr 85

[Text] On 5 April Sun Wensheng, member of the Standing Committee of the provincial CPC Committee and deputy director of the provincial CPC Committee's Party Rectification Guidance Group's Office, stressed after listening to reports from the party rectification offices of the Changsha and Zhuzhou City CPC Committees: The province must integrate party rectification with studying and implementing central Document No 1 of this year, further correct new unhealthy trends, and promote economic reform and turn for the better in party style.

Sun Wensheng said: The promulgation of this year's central Document No 1 shows that China's rural areas have entered the second great reform. A good situation has already appeared in Hunan rural areas. However, some places and departments have still not acted effectively enough in studying and implementing the document, and their actions have been slow. These problems show to a very great extent that some party organizations have not straightened out the guiding ideas for professional work or completely transformed their work style. A current very important aspect of party rectification is to integrate it with studying and implementing central Document No 1, get a good grasp of reform of the economic structure, and promote agriculture, the foundation. Otherwise, it cannot be said that party rectification has promoted the economy and the reforms.

On correcting new unhealthy trends, Sun Wensheng said: Apart from the various unhealthy trends that have already been exposed, the trend of boasting and exaggeration has started to emerge. In some places it is rather serious. Hence, during party rectification, it is essential to uphold the ideological line of seeking truth from facts and insist on truth. There must be zeal, but no boasting and exaggeration.

HUNAN SHOP RAISES PRICES, REFUSES TO COMPENSATE

HK140924 Changsha Hunan Provincial Service in Mandarin 1100 GMT 11 Apr 85

[Text] The (Ruyi) shop of a department store in Huitong County is not strictly enforcing orders and prohibitions. In March the shop continued to employ trickery and to arbitrarily hike the prices of television sets. As of this moment, the shop has not returned the overcharge to the consumers.

In late March the shop bought five 14-inch (Shou Feng) brand black and white television sets. In accordance with the regulations of the provincial committee on pricing, the retail price for this type of television set in Huaihua Prefecture is 416 yuan. But this shop violated the pricing regulations. In light of the great demand for these products, the shop continued to employ trickery and arbitrarily hiked prices. Though the shop marked the selling price of 416 yuan on the invoice, the consumers actually paid 438 yuan for each set, an overcharge of 22 yuan.

After the practice was reported, responsible persons of the Huitong County commercial bureau ordered the shop to return the overcharge to the consumers. But the responsible person of this shop not only refused to return the overcharge but sent someone to cause trouble at its consumers' houses.

The (Ruyi) shop is still implementing neither the relevant policies nor regulations of the CPC Central Committee and the State Council, thereby setting a very bad example for the locality. The local people strongly urge the competent departments to seriously deal with this shop.

Commentary on Implementing Policies

HK140928 Changsha Hunan Provincial Service in Mandarin 1100 GMT 11 Apr 85

[Station commentary]

[Text] Since the second half of last year, the CPC Central Committee and the State Council have issued a series of circulars and decisions on correcting such new malpractices as violating policies and arbitrarily hiking prices. However, as of this moment, a few units still are not effectively enforcing them. In order to pursue the interests of their own departments and small groups, these people have implemented neither the policies nor the regulations issued by the higher authorities, but stick to their old ways of doing things and eventually do things that undermine the interests of the consumers. The case of the (Ruyi) shop is an example.

The issue of pricing concerns the interests of thousands upon thousands of households. It is just because of this that various units in all localities must strictly observe and implement state regulations on pricing. No one is allowed to find pretexts for his actions, to act perfunctorily, or to feign compliance. Regarding problems that have developed in various localities, pricing departments must cooperate with commercial departments and administrative departments for industry and commerce to promptly solve them, and we must not be indulgent toward them.

HUNAN COMMENTARY ISSUES CONSUMPTION WARNING

HK140230 Changsha Hunan Provincial Service in Mandarin 1100 GMT 13 Apr 85

[Station commentary: "We Must Continue To Uphold the Principle of Arduous Struggle and Building the Country With Diligence and Thrift"]

[Excerpts] In carrying out readjustments in recent years, we have corrected the previous one-sided stress on accumulation and neglect of consumption, and correctly brought into play the positive role of people's consumption in stimulating social production. Production and construction have developed rapidly and there has been a marked improvement in living standards.

However, amid this excellent situation, some comrades have failed to keep cool heads, holding that China can go in for high consumption in the current period. They even say that value can be created by eating and drinking. As a result consumption funds rose too rapidly in the previous period, causing a certain degree of difficulty for reform. We must attach a great deal of importance to this issue.

As everyone knows, China has a weak foundation and a large population. Its economic and financial strength is limited. The capacity of the various sectors to bear loads is not great. If consumption funds increase dramatically, there will be serious deficiencies in social investment, and the state's already limited foreign exchange will be dissipated on the import of consumer goods, with the result that it will be impossible to import urgently needed production equipment due to lack of foreign exchange. This will affect economic development.

On the other hand, due to the excessive growth of consumption, there will be a serious disparity between the state's supplies of commodities for consumer's choice and the consumers' requirements. This will lead to extreme shortage of commodities and to inflation.

If that happens, in order to ease the contradiction between supply and demand in society, the state will have no choice but to employ in the production of consumer goods a large portion of the manpower, material, and finances which could have been used in developing production means. This is bound to have an impact on the progress of economic developments. It is therefore unrealistic to go in for high consumption in China in the present stage.

Only by continuing to persist in the principle of arduous struggle and building the country with diligence and thrift can we gradually increase the state's economic strength and create a sound material basis for continually improving living standards.

Of course, continuing to uphold this principle certainly does not mean that we can neglect the reverse role of consumption, and still less that we should not attach importance to the normal growth of consumption in people's daily life. What it does mean is that we must not stray from our national condition and pay no heed to production development feasibility in blindly pursuing high consumption.

At present we must attach particular importance to correctly handling the proportional relations between accumulation and consumption. We must oppose the erroneous method of changing production funds into consumption funds, paying all of them out, and squandering and wasting them, and ensure the continued healthy development of socialist economic construction.

HEBEI COMMENTARY URGES FIGHTING 'SERIOUS' DROUGHT

HK110323 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 7 Apr 85

[Station commentary: "Take Action and Plunge Into the Struggle Against Drought"]

[Excerpts] The provincial government has proposed that total agricultural output value this year should rise by 6 percent over last year and that the grain and cotton procurement contracts be fulfilled in accordance with state regulations.

The serious drought is the current key problem affecting agricultural production. Over 46 million mu of land are short of moisture, including 16 million mu of wheat and 30 million mu of fields that were not plowed under after the harvest.

The majority of areas in the province have now initially begun the struggle against drought. However, progress in watering the land is slow compared with the same time last year, objectively because temperatures were rather low in March, the wheat turned green late, and fertilizing and watering were delayed. The subjective reason is that the cadres and masses in some places have been lulled by the fact that some slight rain has fallen since the beginning of spring and surface-layer soil moisture in some places is relatively good; they have therefore neglected the struggle against drought. In addition, the cadres and masses in certain places attach importance only to promoting township enterprises and developing commodity production, and have slackened grain production somewhat. Thus they do not have a firm grasp of the struggle against drought.

We must clearly understand that agriculture is the foundation of the national economy, and that developing the national economy and enriching the peasants will be affected if grain production cannot rise. While grasping commodity production, we must work hard to fight drought and ensure spring sowing and the summer harvest.

According to the meteorological departments, rainfall from March to May will be 10 to 30 percent below normal. The province's task of fighting drought is thus very great. Leading cadres and the masses throughout rural areas must immediately take action to plunge into the struggle against drought and do everything possible to reap a bumper harvest.

ZHOU HUI ATTENDS NEI MONGGOL YOUTH SESSIONS

SK130138 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 12 Apr 85

[Excerpt] The first session of the sixth committee of the regional youth federation and the third congress of the regional student federation opened simultaneously in Hohhot on 12 April. Attending the session and the congress were leading comrades of the regional party, government, military, and CPPCC organizations, including Zhou Hui, Tian Congming, Cai Ying, Li Xiangyi, Wen Jing, Zhou Rongchang, Zhao Zhihong, and Yun Zhaoguang.

Tianjin Congming, deputy secretary of the regional CPC Committee, spoke. He urged the youth and students federations to launch various creative activities to strengthen unity among the youths of all nationalities in various circles, foster a lofty ideal of communism among them, and intensify their sense of organization and discipline in order to contribute to the vigorous development of the Chinese nation and the Nei Monggol Region.

Speaks on Ideals

SK150532 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 14 Apr 85

[Text] On the morning of 13 April, Zhou Hui, secretary of the Nei Monggol Regional CPC Committee, came to the sixth regional youth federation and the third congress of the regional student federation to hold a discussion with a number of delegates of the student federation congress and members of the regional youth federation.

Focusing on issues regarding ideals and discipline, he had a heart-to-heart talk with the 25 youths and students from universities and middle schools and from various circles and nationalities.

When (Yu Fei), chairman of the Nei Monggol university student federation, asked about the ideals youth should harbor, Comrade Zhou Hui stated: Ideals represent an outlook on life, a world outlook, a sense of birth and death, bitterness and happiness, and the world view.

Simply speaking, it means the following: How can we discern the objective world, and how should we conduct ourselves? It is suitable for us to engage in socialism and communism. Efforts should be made to build socialism that reflects Chinese characteristics.

By the end of this century, we should reach the standard of being well off set forth by Comrade Deng Xiaoping. After several decades, we should catch up with the standard of the developed countries. Our party and people should harbor such ideals, but youth should even more harbor such ideals. Without ideals, we would have no bright prospects and would be demoralized in life. Without discipline, it is impossible to unify the action of people. Comrade Deng Xiaoping said it well: The two words of harboring ideas and abiding by discipline must be firmly kept in mind.

Comrade Zhou Hui stated: We are facing the most favorable opportunity in conducting reforms. The general trend is very good. However, it is impossible for us not to encounter some temporary difficulties and setbacks. Only those who have been firm in revolution can avoid being pessimistic as soon as they have encountered difficulties. Generally speaking, a human being should have a little bit of spirit.

In conducting reforms and building the socialist modernizations, it is necessary to stress the principle of distributing according to work, and material benefits. However, we should by no means be motivated solely by money in every field and be calculating in everything.

We should also stress spiritual civilization and far-reaching ideals. Every person, whether old or young, should harbor and pursue ideals, and should strive to contribute to society and future generations. The young should work hard to achieve overall development in moral, intellectual, and physical qualities and should enable themselves to harbor ideals, to have morality and cultural knowledge, and to be well disciplined.

When some delegates referred, during the discussion, to the fact that a large number of college students showed concern for politics and major state affairs and actively applied for party membership, and that the party authorities, in light of this fact, should recruit more party members among students, Comrade Zhou Hui happily stated: Such a proposal is very fine, and we should recruit more outstanding youth and college students into the party.

At the forum, Comrade Zhou Hui also cordially inquired about the situation prevailing in their studies, work, and livelihood. When (Gao Shufen), a student of the No 6 Jining City Middle School, proposed opening vocational classes of senior middle school level in her school, Comrade Zhou Hui stated: This is a good thing. Graduates who have attained only general cultural knowledge and have not obtained technical ability will be unable to meet the broad needs of the society. Graduates from junior middle schools who would continuously study technical subjects for 2 or 3 years would be able to obtain a little capability. Conducting vocational education is a major event and must be carried out successfully. He also encouraged students to actively carry out the work-study program in their schools.

TIANJIN HOLDS CPPCC STANDING COMMITTEE SESSION

SK130230 Tianjin City Service in Mandarin 1430 GMT 12 Apr 85

[Excerpts] The 12th Standing Committee session of the 7th municipal CPPCC Committee was held this morning. The session decided to sponsor the third session of the seventh municipal CPPCC Committee at Tianjin Hotel on 21 April 1985.

Chen Bing, chairman of the municipal CPPCC Committee, presided over the session. Huang Tifei, Standing Committee member of the national CPPCC Committee and vice chairman of the municipal CPPCC Committee, relayed the grand situation and the guidelines of the Third Session of the Sixth National CPPCC Committee.

The session adopted a resolution concerning sponsoring the third session of the seventh municipal CPPCC Committee and discussed the arrangements for the agenda of the session.

Also attending the session were vice chairmen of the municipal CPPCC Committee, including Li Shusen, Zhao Jinsheng, Huang Yusheng, Yang Tainshou, He Zongqian, Kang Tiejun, and Chen Ruyu. Responsible comrades of the municipal United Front Work Department also attended the session.

BRIEFS

TIANJIN DELEGATION TO ITALY -- At the invitation of France and Italy, the Tianjin municipal friendship delegation headed by Shi Jian left on 26 March for Europe. Seeing the delegation off were vice chairmen of the municipal People's Congress Standing Committee, including Bai Hua and Li Zhongyuan; Li Lanqing, vice mayor of the municipality; and Lu Xuezheng, secretary general of the municipal people's government. [Summary] [Tianjin TIANJIN RIBAO in Chinese 27 Mar 85 p 1 SK]

LI LIAN SPEAKS AT HEILONGJIANG EDUCATION MEETING

SK140516 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 13 Apr 85

[Text] On 9 April, while speaking at the provincial educational meeting, Li Lian, secretary of the provincial CPC Committee, said that the most fundamental and effective way to rapidly raise our social productivity is to develop educational resources as quickly as possible so as to train more persons who are more competent in various services.

Li Lian said: The key to making educational work serve the four modernizations is to eliminate the old unitary way of running schools and to adopt various forms and methods of (?training) to fully mobilize the forces in all fields to train various types of talented personnel, middle-grade and junior technicians in particular.

So far, the task of cultivating middle-grade and junior talented personnel for the four modernizations has fallen to regular middle schools, vocational middle schools, and skilled worker schools, plus secondary specialized schools. From now on, we should strengthen technological knowledge among secondary schools.

In order to cultivate middle-grade and junior talented personnel for the four modernizations, we must develop vocational technical education in a resolute and step-by-step manner. We cannot rely only on educational departments to develop vocational technical education, but should mobilize all enterprises and establishments to engage in this work. In running vocational technical education, not only regular vocational schools can be run, but also vocational technical training classes serving various categories of specialized households and tertiary industry can be run in urban and rural areas. Regular schools with no specific courses and a 2- or 3-year schooling period cannot be run.

In order to promote development of vocational technical education, we must relevantly reform the labor system. We must link the cultivation of talented personnel with their use. From now on, enterprises must first hold examinations, concentrating on professional technology, to recruit workers. The enterprises will choose and employ the best from the examinations.

Improving teaching quality is a task for educational reform. In essence, the problem of teaching quality is the problem of the professional competence of teachers. From now on, we should encourage those competent to serve as teachers. All cities and counties should pay more attention to the proportion of qualified teachers than the proportion of students entering schools of a higher grade. In order to meet the needs of the development of the new situation, we should certainly conduct educational reform for teachers.

In his speech, Li Lian also stressed: Achieving educational reform is a great matter related to all professions, trades, and households. Party and government departments at all levels should strengthen leadership over educational work. After the province begins carrying out the system of schools run and managed by different levels, local financial departments should ensure an increase of educational funds every year. They must never be allowed to reduce education funds by using the excuse of conducting reforms. After establishing township-level financial departments, we should concentrate funds on developing educational resources. At present, the allocation for educational work cannot be lower than 30 to 40 percent of total expenses.

Party and government leaders at all levels should adopt effective measures to show concern for the livelihood of teachers. After reform of the rural education system, we cannot reduce the wages and allowances of teachers at civilian-run schools. We must think of ways to ensure a good basic income for teachers.

JILIN COMMENTATOR CALLS FOR FOSTERING IDEALS

SK160829 Changchun JILIN RIBAO in Chinese 1 Apr 85 p 1

[Commentator's article: "We Must Never Give Up Lofty Ideals"]

[Text] Comrade Deng Xiaoping pointed out in his speech to the national scientific and technological work conference: "Ideals and discipline are particularly important. We must educate our people, youth in particular, to have ideals." Evidently, Comrade Deng Xiaoping's teaching is very pertinent in view of the present situation, with very important and far-reaching significance.

At present, there is indeed a phenomenon, which merits our attention, of being indifferent to ideals. A small number of party members and cadres often bear individualism and egoism firmly in mind, neglecting socialism and communism. They have forgotten who they are, in what society they live, and what their fighting goals are.

This can be proven from just a few new unhealthy trends. Some people are so infatuated with the selfish interests of individuals and small groups that they disregard the interests of the state and the people. They not only refuse to do anything that "causes them very little loss but benefits the country" but also debase the people who sacrifice personal interests for the benefit of others. They advocate "putting money above everything else," and rack their brains to scheme against the state, the collective, and the consumers in order to seek unscrupulous money. Other people carry out the bourgeois way of commodity exchange in the party's political life, engaging in financial business in doing everything and regarding socialist comradely relations as relations of money.

Still other people vie with each other over issuance of money and materials, and try to upgrade standards in both quality and quantity in disregard of their contributions to the state. A few people said unscrupulously: "Reform aims at making money, and everything else is useless." It is indeed to improve economic results that we carry out reform. However, we will be totally wrong if we seek money by hook or by crook for personal interests or the interests of a small group and divorce ourselves from the general goal. To some people, there is no need to show concern for building socialism with Chinese characteristics, for the prosperity and development of the country, and for the well-being of the people. Such an idea is very dangerous and will harm cadres, corrode youths, and damage reform to an unimaginable extent if left unchecked.

In the new situation of economic reform, we should particularly educate our party members, cadres, and youths to foster ideals, uphold the orientation of serving the people wholeheartedly, and further foster lofty communist ideals. The on-going reform is a necessary step for us to advance toward the communist goal. All people determined to carry out reform should do various fields of work for reform unswervingly in line with the party's principles and policies, contribute their efforts to making the country prosperous and strong, and making the people rich. This is also an important criteria to examine whether we have lofty ideals.

It is, of course, not for the purpose of totally negating personal material benefit that we clearly put forward the orientation of serving the people wholeheartedly and urge the people to foster lofty ideals. We must not repeat the mistake of regarding personal interests as revisionism and criticize them. We must, however, resolutely oppose the erroneous method of seeking personal interests at the expense of the interests of the state and the people, and resolutely correct the erroneous trend of seeking small gains and forgetting righteousness, and seeking immediate benefit and giving up lofty ideals.

It is for the purpose of developing the advantages of the socialist system that we advocate showing concern for collective benefit, and it is for the purpose of making the people who become rich first to help those who have not become rich achieve common prosperity that we encourage some people to become rich ahead of others.

All we have done is for the purpose of developing socialism and finally achieving communism. We will never allow some people to undermine socialist public ownership under the signboard of "showing concern for the collective benefit," and to benefit themselves at the expense of the public and others under the signboard of "making some people prosper ahead of others." When we stress ideals, we should resolutely implement the fundamental socialist principles of putting public ownership first and of achieving common prosperity.

Man should have some spirit. Communist ideals are the spiritual pillar for us, communists, to do everything. The entire history of our party is a history of fighting for and winning successes in communist ideals. The four modernizations and reform are also carried out for the realization of our lofty ideals. Today, as long as we strive to carry forward the spirit of devoting ourselves to ideals, a victory in reform will be won without doubt.

XU SHAOFU CONDEMNS ECONOMIC CRIME IN LIAONING

SK140412 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 13 Apr 85

[Excerpts] At the provincial discipline inspection work conference and the conference to exchange experience in and commend the advanced emerging from the struggle against serious economic criminals which ended on the afternoon of 13 April, Xu Shaofu, secretary of the provincial CPC Committee and secretary of the provincial Discipline Inspection Commission, pointed out: Under the new situation of conducting reforms, the struggle against serious economic criminals is still a long-term task and should be enhanced, not neglected.

Comrade Xu Shaofu said: The struggle against serious economic criminals is an important guarantee for enlivening socialist modernization. Some criminal elements seized the opportunity to conduct reforms to engage in economic criminal activities. They have seriously damaged the reforms. If we do not seriously deal blows to them, the reforms will not be carried out in a smooth manner and economic construction will never be guaranteed. Thus, the struggle against economic criminals and reforms should run parallel.

The conferences, held in Shenyang on 11 April, comprehensively summed up the situation of dealing blows to economic criminals over the past 3 years, exchanged experiences in conducting the struggle, and commended 84 collectives and 114 individuals that made good achievements in the struggle.

Our province has made marked achievement in conducting the struggle against serious economic criminals. From 1982, when the province began to launch the struggle, to the present, the province has placed 26,035 cases on file for investigation and prosecution. A total of 23,599 cases were concluded. The amount of 39.7 million yuan worth of stolen money and goods were returned.

WEN WEI PO VIEWS SINO-SOVIET RELATIONS PROSPECTS

HK170140 Hong Kong WEN WEI PO in Chinese 17 Apr 85 p 3

[Editorial: "Prospects for Sino-Soviet Relations"]

[Text] During his visit to Australia, Hu Yaobang has spoken again on Sino-Soviet relations, saying that China wishes to develop friendly relations with the Soviet Union on the basis of peaceful coexistence.

The atmosphere between China and the Soviet Union is already improving. The visit of First Deputy Premier Arkhipov to China started high-level contacts which had long been broken off. In his first public speech after taking power, Gorbachev mentioned his desire to "seriously improve" relations with China. He had a warm and friendly chat with Chinese Vice Premier Li Peng, who attended Chernenko's funeral. The second CPSU Politburo meeting presided over by Gorbachev listed trade with China in an important place on the agenda. Following that, he called for the upgrading of Sino-Soviet dialogue. Corresponding to this, in its letters and speeches, China has specifically affirmed that the Soviet Union is a "socialist country," spoken of the "Soviet comrades," and actively sought normalization of relations between the two countries.

The diminishing of ideological differences and the acknowledgement of similar social systems have without doubt helped in improving relations between the two sides. However, it is very obvious that the Sino-Soviet dispute long ago developed from the ideological field to the field of state relations. The existence of nations and the interests of states overrides any acknowledgement of similarities in ideology and system. This is the tide of the world today, and is also the crux in current Sino-Soviet relations.

Deng Xiaoping, Hu Yaobang, and Zhao Ziyang have spoken on Sino-Soviet relations on several occasions in recent months. In particular, when receiving reporters from Hong Kong and Macao, Hu Yaobang gave an all-round exposition on Sino-Soviet relations which focused on normalizing state relations between the two countries. He said that "no one may interfere with this," and added that "China's foreign policy is one of acting independently and keeping the initiative in its own hands," and that it "desires to strengthen economic exchanges." During his talks in Australia he spoke of peaceful coexistence with neighboring countries, saying that "in improving Sino-Soviet relations it is essential to eliminate the threat posed on China's border."

History and reality show that the foreign policy of socialist countries is by no means always one of peaceful coexistence, and attempts and moves to take control of and expand into other countries are frequently done under the cloak of "revolution." What worries China is, as before, the large troop deployments on its northern border, and encirclement on land from Afghanistan to Vietnam, and an arc from Vladivostok to Cam Ranh Bay. There can only be real improvement in Sino-Soviet relations if these major problems related to national security are really solved.

At present, Sino-Soviet relations are sidestepping this fundamental obstacle and expanding economic, cultural, and personnel exchanges. Trade between the two countries this year will rise by 70 percent over last year. The two sides will sign a long-term trade agreement in June, and the volume of trade will grow by 500 percent in the next 5 years. This illustrates that China and the Soviet Union are thinking of the long term in considering and arranging their relations and moving in the direction of expanding exchanges and cooperation. Qian Qichen is now holding the sixth round of consultations with Ilychev in Moscow, and the possibility exists of talks at a still higher level in the future.

The question is whether this economic cooperation and these personnel exchanges can turn into a motivation for promoting the removal of the fundamental obstacles. Taking a long-term view this possibility cannot be totally excluded, but in the short term it seems that there will be no signs of a breakthrough. Some newspapers in Eastern Europe hold that a mutual withdrawal of forces on the Sino-Soviet border is possible, but up to now this is only conjecture without the slightest basis.

Summing up all this, certain acknowledgements in similarity of ideology and system between China and the Soviet Union have eased the atmosphere, and the expansion of the economic exchanges between the two countries is also a trend becoming more and more evident. However it remains difficult for the time being to promote the removal of the fundamental obstacles. There will be a long way to go to attain the complete normalization of Sino-Soviet relations.

SINO-AUSTRALIAN DIFFERENCES OVER SRV EXAMINED

HK161308 Hong Kong HSIN WAN PAO in Chinese 16 Apr 85 p 1

["New Talk" column: "Differences Between China and Australia Over Vietnam"]

[Text] In their talks, CPC General Secretary Hu Yaobang and Australian Prime Minister Hawke not only discussed bilateral affairs, but also exchanged views in international and regional affairs. In regard to bilateral relations, the two countries have decided to set up two more consultates general in each other's territory. Apart from its embassy in Canberra, capital of Australia, and the consulate general in Sydney where many Overseas Chinese live, China will set up two more consultates general in Melbourne and Perth.

It is known to all that there are many Overseas Chinese in Melbourne. Perth is in western Australia, some 3,000 km away from the capital. It is expected that large quantities of iron ore will be exported to China from western Australia, and it is possible that China and Australia will cooperate in mining. Trade between the two countries is bound to increase further. Therefore, it is necessary to set up more consulates general in Australia.

What the two leaders have discussed in regard to international affairs has not been revealed, but it is certain that they must have talked about two things. One is the visits of U.S. warships to Australian and New Zealand harbors. Australia and New Zealand now hold different attitudes on this issue. China and Australia must have exchanged their views on this issue. The other topic is the Soviet Navy's expansionist activities in the Pacific region. A Soviet fleet is now conducting a military exercise in the vicinity of Midway Island, and it is moving into the South Pacific. This development must have drawn attention from the Chinese and Australian leaders.

Although China and Australia have similar views on many international issues, they have different viewpoints at least on one issue, the Vietnam issue.

In a speech at the banquet in honor of Hu Yaobang, Hawke reiterated his viewpoint on Vietnam. He said: "If an isolated country which is antagonistic to other countries and is stubbornly following the Soviet Union and its allies remains in the west Pacific region, we will remain in danger of seeing our achievements spoiled." He added: "When advancing toward our goal, we should also leave certain room for making alternate choices for Vietnam so as to help diversify its international relations and improve its relations with its neighboring countries."

This means that we should not push Vietnam too hard, otherwise it may throw itself completely into the arms of the Soviet Union and make things more complicated. It seems that more room for making alternate choices should be left to Vietnam.

The dispatches did not mention what reaction Hu Yaobang made to Hawke's suggestions on Vietnam. It is believed that in his talks with Hawke, Hu Yaobang would have made his position on this issue plain.

This is, in fact, a question of causality, like which comes first, the chicken or the egg? We should check whether other countries have pushed Vietnam too hard and forced it to the side of the Soviet Union or whether Vietnam itself has joined with the Soviet Union and has thus caused other countries to turn against it.

It has been 10 years since the liberation of the whole territory of Vietnam, but Vietnam had only a few years of peace after being involved in war for 30 years in succession before it started its war of aggression against Cambodia. In recent battles, the Vietnamese Army attacked and captured the bases of Cambodia's resistance forces. Vietnam even invaded Thailand without regard to the rules that govern international relations. It is Vietnam that has taken the initiative in doing all this and no one has forced it to do so. This is clear to everyone.

Vietnam recently announced a withdrawal plan for its troops which would be effected in 10 years' time. In recent years it has repeatedly played the trick of false troop withdrawals. The latest scheme is no more than another trick of the same sort.

The Soviet Union has to subsidize Vietnam to the tune of \$5 million a day in exchange for the use of the Cam Ranh Bay. The status quo in Cambodia will continue for some time, because the Soviet Union will never give up its intervention in the seas of Southeast Asia and the Strait of Malacca. It is unrealistic to hope that Vietnam would be willing to divorce itself from the Soviet Union!

EDITORIAL ON HU SPEECH, THREAT TO POST-1997 PRESS

HK160725 Hong Kong SOUTH CHINA MORNING POST in English 16 Apr 85 p 2

[Editorial: "A New Threat to Press Freedom"]

[Text] Mr Hu Yaobang has finally spelt it out: Forget press freedom in China. Toe the party line, journalists have been told in no uncertain terms. You are an organ of the party. All newspapers must operate under the unified leadership of the party and follow the party's principles and policies. There should be "basic training" on this concept for young journalists. And the implications for the Hong Kong press post-1997 are enormous.

There's nothing new, of course, in the latest directive from Peking. Newspapers in particular have long been a propaganda tool of the government. But for a while there were encouraging signs that the reins were being relaxed. And that newspapers in China would be given a little more independence.

But party General Secretary Hu has very curtly dashed all hopes of that. His warning leaves no room for misinterpretation. Mr Hu has special praise for journalists who reject that dreadful capitalist disease, independence. China journalists were "very good, very glorious" for serving as the mouthpiece of the party and government. "How can it not be glorious to speak for the party?" he asked. The obvious inference being that it would be "inglorious" and sudden death to a career to be otherwise.

Mr Hu made it clear current economic reforms do not mean Chinese can form private newspapers and indiscriminately espouse their personal opinions. "Freedom or rights cannot be separated from responsibilities and obligations," he said.

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CHINA
HONG KONG MEDIA ON CHINA

It appears Hong Kong and 1997 were not mentioned in Mr Hu's speech at the party's Central Committee Secretariat. But he obviously would regard Hong Kong Chinese journalists as "very good, very glorious" if they emulated their mainland counterparts. And surrendered all the "very bad, very inglorious" concepts of a Western-style free press. (To whom, incidentally, should they kowtow -- Hong Kong or Peking?)

In fact there are ominous signs the local press is already starting to kowtow. A top executive of a well-known daily newspaper recently said it would be naive for the Hong Kong media to think it could enjoy the same freedom in a "one country two systems" environment. We must be prepared to give and take, he said. And sell our souls?

For when you start "giving" where do you stop? Do you promise not to criticise in 1997? Solemnly swear to allow all articles to be vetted in 1998? Let the government take over the management in 1999? And praise the accomplishments of the party with banner headlines as the printing presses project us into the 21st century -- and the end of our most precious freedom?

It is unclear why Mr Hu's remarks made a sudden splash in the PEOPLE'S DAILY on Sunday. He issued the warning on February 8, but it was not published. So why was it kept under wraps for so long? And why has it suddenly been given such prominence -- when he is thousands of miles away in Australia?

Are the Peking authorities worried about recent expressions of concern in the Hong Kong media about the possible threat to press freedom here and the ideas it might give newspapers on the mainland? Mr Hu specifically made the point that it is "necessary" to learn the advanced technology in reporting and editing used in capitalist countries. But forget the "fundamental principle of bourgeois" journalism, he said.

So what does all this mean for the bourgeois media in Hong Kong? Most of us do not toe the party line. And have no wish or intention to do so. For a dedicated newspaperman that's the last straw. He or she can put up with most other perceived indignities. But not this one. And it is equally unacceptable to the layman. Because it sounds the death knell on all other freedoms.

Mr Hu's warning underlines the importance of getting a clear definition of press freedom written into the basic law. Hong Kong's concept of the free flow of information must be as explicitly expressed in the basic law as was Mr Hu's -- and Peking's -- interpretation this week.

Mr Hu acknowledges that capitalist societies have a different concept of press freedom than socialist countries. And China has many times assuaged as that the special administrative region after 1997 will retain its capitalist image. We must ensure over the next 12 years this image stays in focus.

DISSENSION OVER PRESS REFORM SEEN IN HU SPEECH

HK160727 Hong Kong SOUTH CHINA MORNING POST in English 16 Apr 85 p 11

[By staff reporters]

[Text] Chinese Communist Party General Secretary Mr Hu Yaobang's statement that the press in China must remain the mouthpiece of the party shows there is dissension inside the country over how far press reforms should go, top Hong Kong journalists claimed yesterday.

In a speech to a party Central Committee meeting on February 8, published in Sunday's PEOPLE'S DAILY, Mr Hu dismissed the idea of private newspapers because in socialist China, the party, the government and the people shared the same interests. While it was necessary to learn the advanced media technology of capitalist countries, the fundamental principle of bourgeois journalism could not enjoy the "freedoms of creation" given to literary artists as journalists must speak for the party.

The editor of PAI SHING magazine, Mr Hu Chu-jen, said Mr Hu Yaobang's view of the press was different to that of Mr Hu Jiwei, a former editor of the PEOPLE'S DAILY now in charge of drafting China's press law. He said Mr Hu Jiwei had indicated that freedom of reporting would be allowed, except in areas specified under the law. Mr Hu Chu-jen met Mr Hu Jiwei while he was in [Shenzhen] to canvass views of Overseas Chinese on drafting of the law. The former PEOPLE'S DAILY editor had also said private publications would be permitted as long as they were registered, Mr Hu Yaobang made his speech at the party Central Committee meeting. He said it now appeared that the views of Mr Hu Jiwei, who resigned from the PEOPLE'S DAILY after refusing to back the party's campaign against spiritual pollution, were not given much weight by party leaders.

The editor of NINETIES magazine, Mr Lee Yee, said he agreed that Mr Hu Yaobang's remark suggested reporters would not be allowed independence. But he said Mr Hu might only be trying to balance opposing views inside the party on how far Chinese press "muck-raking" on malpractice and corruption can go. The general secretary's remark that 80 percent of the contents of party newspapers should concentrate on the bright side of socialism and 20 percent on the dark side might reflect the worry that those reports might reach very senior party and government officials, Mr Lee said.

Both Mr Hu Chu-jen and Mr Lee said the timing of the publication of Mr Hu Yaobang's speech was not particularly significant. They said the speech must have already been circulated among party cadres, as was the usual practice. Its publication in the party paper was a mere formality. Mr Lee said the timing of publication could be linked to Mr Hu Yaobang's recent meeting with Hong Kong reporters in Peking at which he said the different conceptions of news in China and Hong Kong was only a matter of taste.

He suggested that in publishing the speech in the party paper Mr Hu told journalists in China that the orthodox view of the press was still applicable.

Both Mr Lee and Mr Hu Chu-jen said the media in Hong Kong need not be alarmed, at least for now. Mr Hu Yaobang's speech was meant for internal consumption. But the head of Hong Kong Baptist College's Communications Department, Mr Chang Kuo-sin, said the timing of the speech was wrong. "They were showing us how free they were by allowing Hong Kong reporters to cover committee discussions of the National People's Congress and the Chinese People's Political Consultative Conference and arranging them to be briefed by prominent officials including Hu himself," said Mr Chang. "They appeared to have opened the door for Hong Kong reporters, but suddenly came this bombshell statement which was a revival and restatement of the orthodox policy under Mao Tsetung."

A lecturer with the Chinese University's Department of Journalism and Communications, Dr Kenneth Leung, said Mr Hu's words might reflect the regime's determination to weed out a surging wave of sensationalist journalism throughout the country. There have been reports that tabloids featuring stories on love, murder, rape and sex, published anonymously, have been selling well in the streets while the circulation of party newspapers has declined, Dr Leung said.

But he said he found consolation in Mr Hu's remark about the 80 percent ratio of news coverage which he said meant there was room for criticism.

The chairman of the Hong Kong Journalists' Association, Mr Cliff Bale, said Mr Hu's remarks cast doubt on whether China would honour the Sino-British joint declaration as far as freedom of the press was concerned. It gave cause for the media in Hong Kong to be on its guard against any subtle attempts at influence, he said.

COLUMNIST QUESTIONS PRC CHARGES AGAINST TABLOIDS

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["A Chinese Opinion" column by Chang Kuo-sin: "Beijing's Ban on Tabloids Not Justified"]

[Text] Using the now proliferating tabloids as a case in point, China appeared to have failed its first test of scrutiny by independent inquiry -- its charges against the street-side tabloids, now circulating in China's main cities, have come out as unjustified, not based on facts, but basically on its political bias. The charges are political and their failure on independent inquiry is a reflection on Beijing's creditability, casting reflection, it can even be said, on the entire campaign against "spiritual pollution". The tabloids are obviously being framed and the purpose of the drummed-up charges is presumably for them to be used as an excuse for suppression at some later date.

As previously discussed in this column, Beijing had charged that the tabloids were "unsanctioned" publications. They are usually sanctioned and officially permitted. They are in fact published by local government organs and the editorial and reportorial staff are all or mostly local party cadres. Charges of their being "sensation-filled scandal newssheets", concentrating on sex, murder and rumours are, however, not totally groundless. These charges have some basis in fact. There were sensationalism and dramatisation, but it is gross exaggeration to condemn the tabloids as being so objectionable and unredeemable that they should be banned.

In sensationalism and dramatisation, the tabloids are not any different from, for instance, the weekly NATIONAL ENQUIRER on sale in American supermarkets. They are less sexy in contents than some of the girlie weeklies in Hong Kong. They are respectable when compared with the PRIVATE ESO in Britain.

On close scrutiny of their contents, the tabloids cannot in any way be said to be completely devoid of any redeemable value. As a matter of fact, in some ways they deserve commendation as practising good and, in the context of China's press policy, even pioneering journalism. The stories and articles are, generally speaking, well-written, some better written than those in Chinese newspapers in Hong Kong. There were two long articles which should be good enough fare for any respectable magazines. One was on Nationalist President Chiang Ching-kuo, entitled "The First Half of Chiang Ching-kuo's Life". It led off with verbatim quotation of Chiang Ching-kuo's open letter to his mother, written when he was in Soviet Russia and published in PRAVDA on January 23, 1935. In the letter the young Chiang castigated his father Chiang Kai-shek for being hypocritical in his professions of filial piety and treacherous in his policy. He said, "I don't respect him. He is the enemy of the Chinese people".

The letter was no secret. It had been reported before. The baffling part was why did the young Chiang write it. One guess was that he was forced to write it by the Soviet Russians who were at the time accused of holding him hostage. The article gave a long, narrative account of the 12 years that Chiang Ching-kuo had spent in Soviet Russia, very well-written, but not too objective. The bias against the Nationalist leader was obvious throughout.

Another article was a detailed report, probably the first report ever on how the People's Bank in Beijing was swindled of \$200,000 renminbi [as published] on March 18, 1960 by a man who forged the then Premier Zhou Enlai's signature. It was a breath-holding account of an event that had been covered up for 25 years.

There were quite a number of informative and human interest articles, e.g. one on Coca-Cola's secret recipe and one on Einstein the workaholic who refused to attend his wife's tea party because he would rather work in his laboratory.

There was an interesting layout on Hong Kong's ten most outstanding women. Among the ten are producer of the art film *The Arch*, Tang Shu-shuen, film director Ann Hui whose picture *The Boat People* had won international acclaim and film producer/actress Hsiao Fang Fang.

And there was a piece on the merits of cremation which the people were persuaded to do. It was a timely discussion of a controversial issue, but it was unfortunate that the editor decided to illustrate the people's abhorrence of cremation and the merits of cremation with concocted stories that were tasteless, though not exactly in bad taste. One of the tabloids even carry copyright notice in its masthead, declaring, "All rights reserved. Reproduction not permitted".

There was yet another article on the love between the late Premier Zhou Enlai and his wife Madame Deng Ying-zhou written in the best traditions of respectable journalism. It said that the Zhous had learned from their life together that love must be anchored on "eight mutuals" and that they had often preached this to newlyweds. The "eight mutuals" are mutual respect, mutual trust, mutual learning, mutual help, mutual love, mutual yielding, mutual encouragement and mutual understanding.

The tabloids must have known that they are under attack by the official news media which they fear, from past experience, would be a prelude to government suppression.

The editor of one of the tabloids, in defending the predominance of articles on romance and marriage, said, "There are some people who cringe at the mention of the word romance. They advocate the policy of keeping the people in ignorance in matters concerning romance. This is very wrong. Romance and marriage exist in society. It's impossible to avoid them. If they are discussed more openly, the more will the people understand them and understand them more correctly, and there would be fewer problems." The editor said his editorial policy is to publish "readable, interesting and informative" stories and that because of this editorial policy his publication has been able to expand circulation throughout the nation, "now circulating north and south of the River (Yangtze) and inside and outside the Great Wall". He cited some of the numerous reader's letters to illustrate readership support for his tabloid.

One reader, frustrated with the official news media, said, "I have never previously read any newspaper from beginning to end. But I read *THE LADY IN RED* (one of the tabloids) from beginning to end, even the poems."

Another reader said he regarded the tabloids as "a good teacher and friend guiding the young generation in the correct treatment of love, marriage and family matters". From what I saw in Kunming and from Beijing's vicious attacks, it can be assumed that the tabloids have become very popular with mass of readers in China. The tabloids are published as a reaction to the monotony of the official news media which carry dry and dull official texts. They provide an answer to the popular demand for a popular press, and there is little doubt that a popular press the tabloids will eventually become if not suppressed by the powers that be.

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